ANNEX 1 BURUNDI

TABLE OF CONTENTS

1 ECONOMIC ENVIRONMENT 57
1.1 Main features of the economy 57
1.2 Recent economic developments..57
1.3 Trade and investment performance..61
1.3.1 Trends and patterns of trade in goods and services..61
1.3.2 FDI trends and structure..63
2 TRADE AND INVESTMENT REGIMES.. 65
2.1 General framework 65
2.2 Trade policy formulation and objectives..66
2.3 Trade agreements and arrangements..67
2.3.1 WTO 67
2.3.2 Regional and preferential agreements 68
2.4 Investment regime 68
2.4.1 Overview 68
2.4.2 Free zone regime..71
3 TRADE POLICIES AND PRACTICES BY MEASURE.. 72
3.1 Measures directly affecting imports..72
3.1.1 Customs procedures, valuation and requirements 72
3.1.2 Rules of origin 73
3.1.3 Customs duties..73
3.1.4 Other taxes on imports..74
3.1.5 Duty and tax concessions 74
3.1.6 Import prohibitions, quantitative restrictions and licensing..............................75
3.1.7 Anti-dumping, countervailing and safeguard measures 75
3.1.8 Other measures affecting imports 75
3.2 Measures directly affecting exports 75
3.2.1 Customs procedures and requirements..75
3.2.2 Taxes, charges and levies 75
3.2.3 Export prohibitions, restrictions and licensing 76
3.2.4 Export support and promotion 76
3.3 Measures affecting production and trade 76
3.3.1 Incentives..76
3.3.2 Standards and other technical regulations..76
3.3.3 Sanitary and phytosanitary requirements..79
3.3.4 Competition policy and price control..80
3.3.5 State trading, State-owned enterprises and privatization 80
3.3.6 Government procurement 82
3.3.7 Intellectual property rights..83
4 TRADE POLICIES BY SECTOR.. 85

4.1 Agriculture, forestry and fishing 85
4.1.1 Agricultural policy 85
4.1.1.1 Policy by subsector 87
4.1.1.1.1 Agriculture 87
4.1.1.1.1.1 Coffee 87
4.1.1.1.1.2 Tea 88
4.1.1.1.1.3 Cotton 89
4.1.1.1.1.4 Sugar 89
4.1.1.1.1.5 Livestock 89
4.1.1.1.1.6 Fishing 90
4.1.1.1.1.7 Forestry 91
4.2 Mining and energy 91
4.2.1 Mining products 91
4.2.2 Energy and water 93
4.2.2.1 Water 93
4.2.2.2 Electricity 93
4.2.2.3 Hydrocarbons 95
4.3 Manufacturing 95
4.4 Services 96
4.4.1 Postal and telecommunications services 96
4.4.1.1 Telecommunications 97
4.4.1.2 Postal services 98
4.4.2 Transport 98
4.4.2.1 Road transport 98
4.4.2.2 Air transport 99
4.4.2.3 Lake transport 100
4.4.3 Tourism 100
4.4.4 Financial services 101
4.4.4.1 Banks and other financial institutions 101
4.4.4.2 Insurance 102
5 APPENDIX TABLES 104

CHARTS

Chart 1.1 Structure of merchandise trade, 2012 and 2017 62
Chart 1.2 Direction of trade in goods, 2012 and 2017 63

TABLES

Table 1.1 Basic economic indicators, 2011-2017 57
Table 1.2 Balance of payments, 2011-2017 60

Table 2.1 Main trade laws and regulations, September 2017 66
Table 2.2 Notifications submitted to the WTO between 1 January 2012 and 31 March 2018 67
Table 3.1 List of products subject to excise duties, and applied rates (2018) 74
Table 3.2 Fees for preshipment product conformity verification 78
Table 3.3 List of State-invested companies and the State's share, 2011 81
Table 3.4 Statistics on government procurement by procedure, 2012-2017 83
Table 4.1 Statistics on agricultural products, 2011-2016 85
Table 4.2 Trends in mining exports by type of ore, 2011-2016 91
Table 4.3 Trends in mining production by product, 2011-2016 91
Table 4.4 Electricity rates applicable throughout Burundi, 2017 94
Table 4.5 Bujumbura International Airport Traffic, 2013 to 2017 99
Table 4.6 Tourist arrivals in Burundi, 2012-2017 100

APPENDIX TABLES

Table A1. 1 Structure des exports, including re-exports, 2012-2017 104
Table A1. 2 Structure of imports 2012-2017 105
Table A1. 3 Merchandise exports by destination, including re-exports, 2012-2017 106
Table A1. 4 Origin of imports, 2012-2017 107

1 ECONOMIC ENVIRONMENT

1.1 Main features of the economy

1.1. Burundi is a least developed country (LDC) with 11.2 million inhabitants spread over an area of 27,830 km^2, making it one of the most densely populated countries in Africa. Its rapid population growth (2.6%) places considerable pressure on natural resources.

1.2. Thanks to the Government's efforts in the health and education areas, the country's Human Development Index progressed from 0.298 in 2005 to 0.404 in 2015. However, the poverty rate remains high, and with some 72.9% of the population living below the poverty line in 2017, Burundi ranks 184th out of 188 countries on the Human Development Index.

1.3. Burundi's economy, which is poorly diversified and highly vulnerable to external shocks, largely depends on agriculture and services. The agricultural sector is dominated by coffee and tea, and relies essentially on small farms with low yields. In spite of the scarcity of arable land, agriculture accounts for more than 40% of GDP and employs 80% of the population (Table 1.1).

1.4. Burundi is not lacking in natural resources, in particular mineral deposits, but they remain under-exploited in an unfavourable business climate plagued by armed conflicts and other episodes of political instability and by a lack of infrastructure. Other impediments to the diversification of Burundi's economy notably include difficulties in obtaining access to credit for SMEs and the small size of the market.

1.5. In the 2018 edition of the World Bank report "Doing Business", Burundi ranks 164th out of 190 economies, 7 ranks lower than in 2017. Among other things, the report notes a deterioration in terms of starting a business, which has become more expensive. At the same time, there have been improvements in property transfer and resolving insolvency.[1]

1.6. Burundi accepted the provisions of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF), and should, in principle, maintain an exchange regime without restrictions on payments and transfers in respect of current international transactions.

1.2 Recent economic developments

1.7. During the period under review, Burundi's economic performance has depended chiefly on the development of the agricultural sector, on the extent of construction work and public infrastructure development and, to a lesser extent on the dynamism of the agri-food industry.

1.8. Burundi's GDP (in real terms) grew at a fairly sustained rate from 2011 to 2014, with a growth peak of 4.9% in 2013 (Table 1.1). This was due to a rebound in agricultural production, particularly in the coffee sector, and to a vibrant construction sector and the implementation of major infrastructure projects, notably in the hydroelectric power supply area.

Table 1.1 Basic economic indicators, 2011-2017

	2011	2012	2013	2014	2015	2016	2017
Nominal GDP (billions of BIF at current prices)	2,819.5	3,365.8	3,812.5	4,185.1	4,423.2	4,754.9	5,170.8
Nominal GDP (millions of USD at current prices)	2,235.8	2,333.3	2,451.6	2,705.8	2,813.9	2,873.7	2,990.5
Real GDP (annual % change)	4.0	4.4	4.9	4.2	-0.3	1.7	2.5
GDP per capita (USD at current prices)	247.2	250.4	255.4	273.5	275.9	273.1	275.3
Unemployment rate (%)	..	..	..	..	..	..	..
Inflation (CPI, % change)	9.6	18.2	7.9	4.4	5.5	5.6	16.1
Population (millions)	9.0	9.3	9.6	9.9	10.2	10.5	10.9
National accounts at current prices (% of GDP)[a]							
Final government consumption	22.9	23.3	24.7	25.9	26.7	27.0	25.3

[1] Online information viewed at: https://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Burundi%20-%20DSP%202012-16.pdf.

	2011	2012	2013	2014	2015	2016	2017
Final private consumption	86.2	84.4	89.1	85.5	84.9	82.9	80.0
Gross fixed capital formation	15.4	14.8	13.4	14.5	12.3	11.6	12.6
Changes in inventory	-1.2	7.3	0.8	0.7	-0.6	-2.0	-1.4
Exports of goods and services	10.5	9.7	9.0	7.6	6.3	6.3	6.0
Imports of goods and services	33.9	39.5	37.1	34.2	29.6	25.8	22.5
Sectoral distribution of GDP at current prices (% of GDP)[a]							
Agriculture, hunting, forestry and fishing	41.0	39.3	42.6	39.0	40.5	40.7	42.0
Mining and quarrying	0.4	0.4	0.5	0.4	0.3	0.3	0.4
Manufacturing industries	11.2	11.7	11.9	12.2	11.9	11.8	11.1
Electricity, gas and water	0.6	0.8	0.8	0.8	0.8	0.8	0.7
Construction and public works	4.3	4.6	4.1	3.8	3.4	3.2	3.1
Services	46.6	46.6	43.1	47.3	47.5	48.0	48.4
Wholesale and retail trade, restaurants and hotels	20.3	20.3	17.9	18.8	18.0	17.5	17.0
Banking, insurance and real estate	4.3	3.9	3.5	3.9	4.9	5.4	5.9
Transport and communications	3.6	3.5	3.1	4.4	4.6	4.6	4.7
Public administration and defence	6.3	6.7	6.8	7.7	7.4	7.4	7.4
Education	7.3	7.3	6.6	6.8	6.6	6.4	6.4
Health and social services	2.7	3.2	3.1	3.2	3.2	3.5	3.8
Other services	2.2	1.6	2.0	2.6	2.9	3.2	3.4
Minus financial intermediation services	-4.2	-3.5	-3.1	-3.6	-4.4	-4.7	-5.8
Public finances (% GDP)							
Revenue and grants	24.1	21.0	22.1	21.0	16.6	15.9	17.3
Tax revenue	15.6	14.6	13.8	13.7	12.3	12.3	13.5
Income tax	4.4	4.6	3.8	3.3	3.0	2.8	2.9
Domestic trade tax	8.7	8.2	8.0	8.4	7.3	7.2	8.4
VAT and transaction tax	6.3	6.0	5.5	5.7	4.7	4.7	5.2
Consumption tax on fuel and tobacco	0.7	0.2	0.2	0.4	0.7	0.7	1.3
Consumption tax on beer and sugar	1.8	2.0	2.3	2.2	1.9	1.8	1.9
Foreign trade taxes	1.9	1.5	1.3	1.3	1.2	1.4	1.3
of which, import tax	1.7	1.3	1.1	1.1	1.0	1.2	1.1
Other tax revenue	0.6	0.3	0.6	0.7	0.8	0.9	0.9
Non-tax revenue	1.1	1.0	1.0	2.2	1.3	1.1	1.1
Grants	7.2	4.6	7.2	5.1	3.2	2.5	2.7
Expenditure	27.3	24.5	25.0	25.3	22.4	22.0	22.0
Current expenditure	19.7	17.6	18.1	17.2	18.3	16.5	16.7
Expenditure on goods and services	13.2	11.5	10.9	10.4	10.5	10.8	10.6
of which, wages	9.7	8.4	7.8	7.5	7.3	7.6	7.5
Subsidies and transfers	5.0	4.8	5.9	5.6	6.5	4.6	5.4
Interest payments	1.2	0.9	0.8	0.9	0.9	0.7	0.5
Special fund expenditure	0.4	0.4	0.5	0.4	0.4	0.3	0.2
Capital expenditure	7.6	6.9	6.9	8.1	4.1	5.5	5.3
Overall balance	-3.2	-3.6	-2.9	-4.4	-5.8	-6.0	-4.8
Public Debt (millions of USD)	791.8	795.3	780.4	894.7	1,120.8	1,268.4	1,403.2
Domestic debt (% of GDP)	18.2	16.0	15.7	17.4	24.2	28.9	31.9
External debt (% of GDP)	17.2	18.1	16.1	15.7	15.6	15.2	15.1
Memorandum							
BIF/USD (annual average)	1,261.1	1,442.5	1,555.1	1,546.7	1,571.9	1,654.6	1,729.1
Real effective exchange rates (% change: -= depreciation)	-0.8	3.1	0.1	4.1	14.2	0.2	7.4
Nominal effective exchange rate (% change: -= depreciation)	-3.9	-8.6	-3.9	3.2	11.2	-2.6	-4.6
Gross foreign exchange reserve (in millions of USD, at the end of the period)	295.6	312.9	321.2	317.3	136.4	95.4	112.9

	2011	2012	2013	2014	2015	2016	2017
In months of next year's imports	4.0	4.0	4.2	4.2	2.3	1.5	1.7
FDI inflows (in millions of USD)	3.4	0.6	7.4	47.1	7.4	0.1	0.3
% of GDP	0.2	0.0	0.3	1.7	0.3	0.00	0.01
Inward FDI stock (in millions of USD)	15.2	13.9	131.7	212.2	252.0	241.4	241.7
% of GDP	0.7	0.6	5.4	7.8	7.8	7.6	7.6
Coffee, Arabica (USD/Kg)	6.0	4.1	3.1	4.4	3.5	3.6	3.3
Tea (USD/Kg)	2.9	2.9	2.9	2.7	2.7	2.6	3.1
Crude oil, average (USD/bbl)	104.0	105.0	104.1	96.2	50.8	42.8	52.8
Gold (USD/troy ounce)	1,569.2	1,669.5	1,411.5	1,265.6	1,160.7	1,249.0	1,257.6

.. Not available.

a Provisional data for 2017.

Source: Bank of the Republic of Burundi, Online statistical information, viewed at https://www.brb.bi; IMF, IMF Database, viewed at: http://elibrary-data.imf.org; African Statistical Yearbook 2018, viewed at: https://www.afdb.org/fr/knowledge/publications/african-statistical-yearbook; World Bank, Databank, viewed at: http://databank.banquemondiale.org/data/home.aspx; and UNCTADstat, viewed at: http://unctadstat.unctad.org/FR/Index.html.

1.9. In 2015, the economy entered into recession, and although the GDP growth rate showed timid signs of recovery in 2016, it remained weak in 2017 owing to the fragility of the political environment and the direct consequences of that fragility (including population displacements), to the weakness of domestic consumption, and to the fall in agricultural production as a result of poor climatic conditions, aggravated by the socio-political crisis.

1.10. Indeed, the 2015 presidential elections resulted in a political deadlock with, as the main stumbling blocks, the implementation of the Arusha Peace and Reconciliation Agreement and respect for the Constitution. As a result, following the suspension in January 2016 of the IMF assessment of the programme supported by the Extended Credit Facility, the principal donors (the European Union and the United States) suspended part of their direct aid.[2]

1.11. The overall development framework and the long-term social and economic development goals are set forth in "Vision Burundi 2025", adopted in October 2010, while the Growth and Poverty Reduction Strategy Framework (GPRSF) is the country's medium-term planning tool. Generally speaking, Burundi's economic policy aims to provide the country with the infrastructure needed to promote rapid and sustained growth in accordance with GPRSF II, adopted in February 2012. Accordingly, 2013 saw the launching of major projects in the energy, transport, water, electricity and telecommunications sectors. GPRSF II covered the period up to the end of 2015.

1.12. Burundi's National Development Plan 2018-2027 was officially launched on 22 August 2018. Its strategic objectives include the construction and maintenance of infrastructure; the revitalization of economic sectors such as agriculture and crafts; improvement of access to basic social services, in particular education, health and social protection; environmental protection; improvement of financial governance, particularly in the financial sector; and development of regional and international partnerships.

1.13. Structural and macroeconomic reforms were introduced under the programme supported by the Extended Credit Facility (ECF) agreed with the IMF in January 2012. The main emphasis was placed on public debt sustainability and the mobilization of domestic revenue by continuing to reform tax administration, more specifically by streamlining procedures, introducing a flexible tax regime, broadening the tax base, decentralizing and modernizing tax collection structures, and bringing the tax system into line with the regulations of the East African Community (EAC).

1.14. As with expenditure, revenue experienced a downward trend during the review period, but at a faster rate. The overall budget deficit remained below 5% of GDP from 2011 to 2014, dropping to a low of 2.9% in 2013 as a result of the reforms. With the socio-political crisis of 2015, it was impossible to pursue the reforms begun under the Extended Credit Facility programme supported

[2] Viewed online at: https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/country_notes/Burundi_note_pays.pdf.

by the IMF, which was suspended as from 2016. The budget deficit widened considerably, increasing progressively from 4.4% from 2014 to 6.8% in 2016 before improving slightly in 2017. With public finances deteriorating as a result of the freeze on much of the country's foreign aid, the Government systematically resorted to the statutory advances granted by the Central Bank and to the issue of treasury bills to finance part of the deficit.

1.15. Burundi's outstanding debt remained stable from 2011 to 2014 at approximately 35% of GDP. However, the gloomy economic and financial outlook took its toll, and the figure rose from 33.1% of GDP in 2014 to 47% in 2016 as the result of an exponential increase in the domestic debt. According to the debt sustainability analysis conducted by the IMF and the World Bank in 2015, Burundi still faces a high risk of over-indebtedness.[3]

1.16. Considerable efforts have been made to improve debt management since 2012, notably the introduction of a computerized foreign debt management system (SYGADE) coupled with the Government's declared intention to improve the legal framework for debt management. This framework was in fact reformed with the promulgation of Law No. 1/03 of 11 May 2016 promoting low-cost and minimal-risk debt management without undermining the sustainability of public finances. In principle, the National Debt Management Committee is responsible for developing a debt strategy. It sets a ceiling for the overall debt, the maximum amount of treasury bill issues and of State guarantees, and the acceptable concessionality level for loans. But in spite of this institutional framework, the country still lacks a medium-term debt strategy.

1.17. The Bank of the Republic of Burundi (BRB), whose main objective is price stability, is in charge of the country's monetary policy. Generally speaking, it acts to keep the growth of the money supply within limits that are compatible with GDP growth.

1.18. The BRB maintained a relatively expansionist monetary policy during the review period, facilitating the refinancing of commercial banks in order to support productive investment and economic growth. Among other things, it stepped up its liquidity-providing operations associated with low interest rates, increasing both the volume and frequency of its interventions.

1.19. The inflation rate remained volatile through the review period. Burundi imports the vast majority of its mass consumption goods, and inflation essentially hinged on the price of staple goods abroad and the exchange rate of the Burundi Franc against the main currencies. The inflation rate peaked at 18.1% in 2012 mainly owing to the sharp rise in the price of food. The country once again experienced two-digit inflation in 2017 owing to a combination of factors such as the massive recourse bank financing, a sharp depreciation in the national currency, and poor subsistence farming yields which led to an increase in already costly imports.

1.20. Since March 2013, the BRB has regularly intervened to shore up the franc against the dollar. These interventions on the foreign exchange market limited the depreciation of the official exchange rate to 5% in 2016 and 4.6% in 2017. However, between 2015 and 2016 the parallel market premium rose from 25% to 60%.

1.21. Burundi's external current account remains in deficit, reflecting the goods and services trade balance (Table 1.2). As a share of GDP, there has been a downward trend in the country's deficit since 2011, thanks chiefly to limited imports (of capital goods in particular) and improved agricultural and mining exports.

Table 1.2 Balance of payments, 2011-2017

(BIF billions)

	2011	2012	2013	2014	2015	2016	2017
Current account	-357.6	-368.0	-401.9	-608.2	586.7	-587.1	-622.5
Goods	-540.4	-831.4	-904.4	-809.4	-759.2	-691.2	-783.4
f.o.b. exports	156.4	194.3	146.3	203.8	189.9	181.0	298.5
f.o.b. imports	696.7	1,025.7	1,050.6	1,013.3	949.2	872.3	1081.9
Services	-127.6	-171.3	-172.8	-301.7	-269.6	-234.5	-286.0
Credit	140.8	133.9	197.5	114.6	90.0	120.5	110.4
Debit	268.4	305.2	370.4	416.3	359.6	355.0	396.4

[3] Viewed online at: https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/country_notes/Burundi_note_pays.pdf.

	2011	2012	2013	2014	2015	2016	2017
Primary income	-22.1	-9.4	2.8	-10.5	-2.6	-1.4	-8.3
Credit	9.4	16.5	21.7	21.8	24.1	18.2	23.0
Debit	31.5	25.9	18.9	32.3	26.8	19.6	31.3
Secondary income	332.4	644.1	672.5	513.4	444.7	340.0	455.2
Credit	349.4	658.4	697.3	545.5	491.6	391.7	500.2
Debit	17.1	14.3	24.8	32.0	47.0	51.6	45.0
Capital account	121.7	221.7	161.5	126.6	87.3	116.6	136.5
Credit	142.1	236.9	178.1	136.7	90.4	119.4	139.4
Debit	20.5	15.2	16.5	10.1	3.0	2.8	3.0
Financial account	-191.2	-286.7	-294.7	-577.1	-519.3	-419.8	-444.2
Direct investment	4.2	0.9	-181.3	-126.4	-77.8	-0.03	-0.5
Portfolio investment	0.0	0.0	-63.0	-87.2	0.0	0.0	0.0
Financial derivatives and stock options (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	-202.3	-212.7	-68.3	-360.7	-168.9	-362.1	-469.6
Special drawing rights	0.0	0.0	0.0	-9.8	-0.4	1.8	17.9
Reserve assets	6.9	-74.9	17.9	7.0	-272.2	-59.5	25.9
Errors and omissions	44.8	-140.4	-54.3	-85.7	-19.4	48.9	41.8
Indicators (%)							
Current account balance/GDP	-12.7	-10.9	-10.5	-14.5	-13.3	-12.3	-11.4
Merchandise balance/GDP	-19.2	-24.7	-23.7	-19.3	-17.2	-14.5	-13.4

Source: Information provided by the authorities; Institute of Statistics and Economic Studies of Burundi, Statistical Yearbook of Burundi 2016.

1.22. Gross external assets, which covered up to four months of imports from 2011 to 2014, fell sharply to the point where since 2015, they have covered only 1.5 to 2.7 months of imports.

1.23. The medium-term economic outlook is mixed and depends on the renewal of cooperation with the country's financial partners as well as the climatic vagaries affecting agricultural performance. A continued freeze on foreign aid could further undermine GDP growth and jeopardize the progress that had been made in the social and rural development areas. On the other hand, stabilization of the socio-political situation and renewed cooperation with development partners would brighten the economic outlook and open up the prospect of a return to the kind of growth rates experienced before the crisis.

1.3 Trade and investment performance

1.3.1 Trends and patterns of trade in goods and services

1.24. As a result of the general economic slowdown during the review period, the share in GDP of trade in goods and services, which stood at approximately 44% in 2011, fell in 2017 to about 28%. However, a closer look at the trend reveals a certain amount of variability.

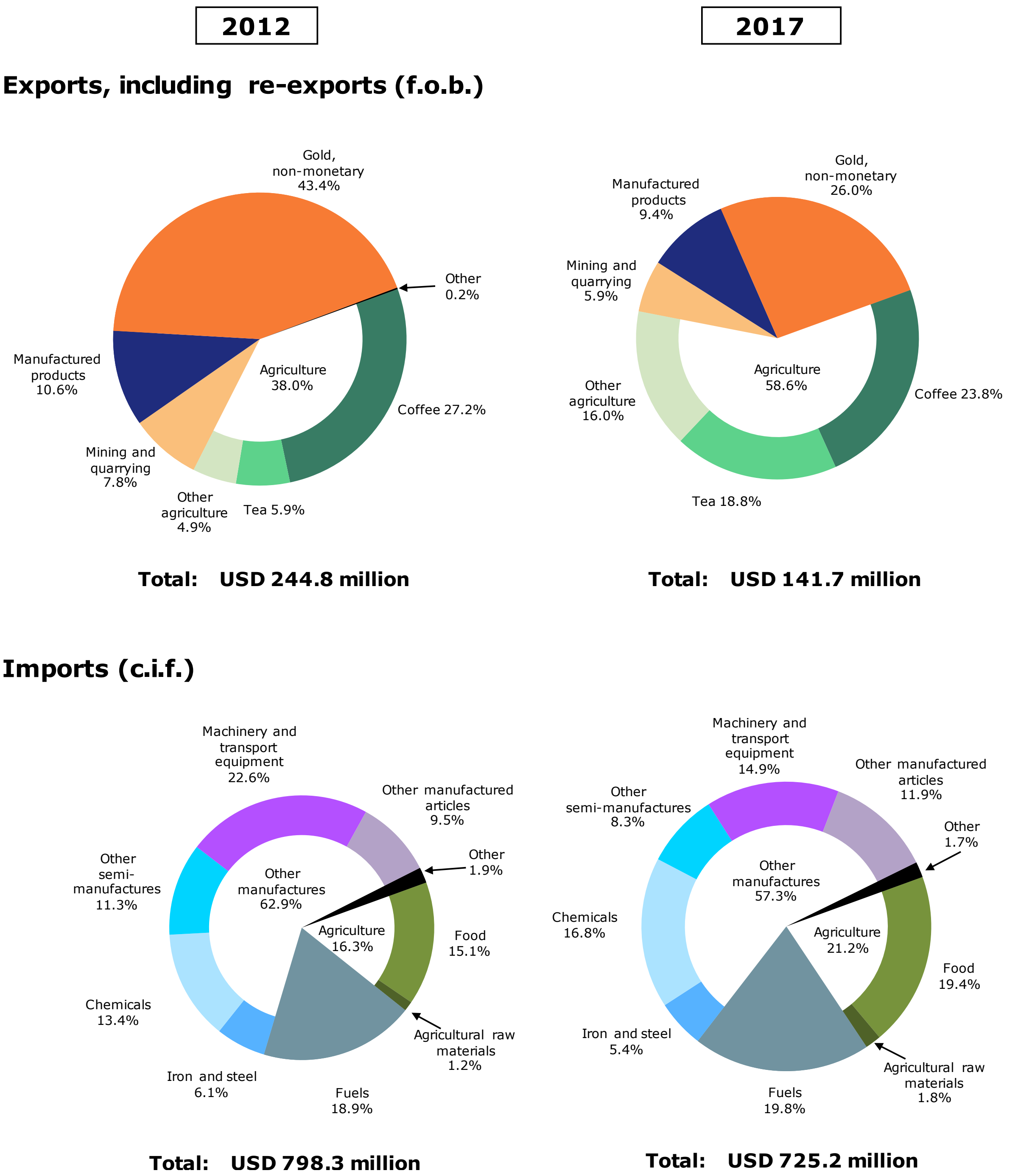
1.25. Official figures for trade in goods show a downward trend in imports and exports during the review period. Exports (in value terms) began to decline in 2012 with the fall in the prices of Burundi's main commodity exports, in particular coffee. Poor harvests in certain years made matters worse. The decrease in the value of imports was less significant, and tended to vary according to the trend in commodity prices (fuel and food).

1.26. The overall composition of Burundi's trade has remained unchanged. The country's export base remains particularly narrow and is highly concentrated on a small number of products such as gold, agricultural products (in particular coffee, tea and sugar) and other mining products. Mining output, which has been plummeting since 2013, was responsible for a sharp fall in exports in 2017 (Table A1.1 and Chart 1.1). Imports consist mainly of food, fuels, transport equipment, textiles, cement, medicines and agricultural inputs (Table A1.2 and Chart 1.1).

1.27. In terms of destinations, the relative share of Europe (the European Union and Switzerland in particular) declined considerably, from 30.6% in 2012 to approximately 21.4% in 2017. At the same time Africa's share (and in particular the EAC countries) increased from 19.1% to 33.5%, and Asia's from 5.1% to 14.4%. In terms of individual countries, the United Arab Emirates remain the first destination for Burundi's exports, in spite of a sharp decline in their share between 2012 and 2017 (Table A1.3 and Chart 1.2).

1.28. There were also major changes in the sources of Burundi's imports. Asia, in particular China and India whose shares increased considerably between 2012 and 2017, is now the main source of imports, followed by Africa and Europe (chiefly the European Union). The other major sources of imports are Saudi Arabia, the United Arab Emirates and Japan (Table A1.4 and Chart 1.2).

Chart 1.1 Structure of merchandise trade, 2012 and 2017

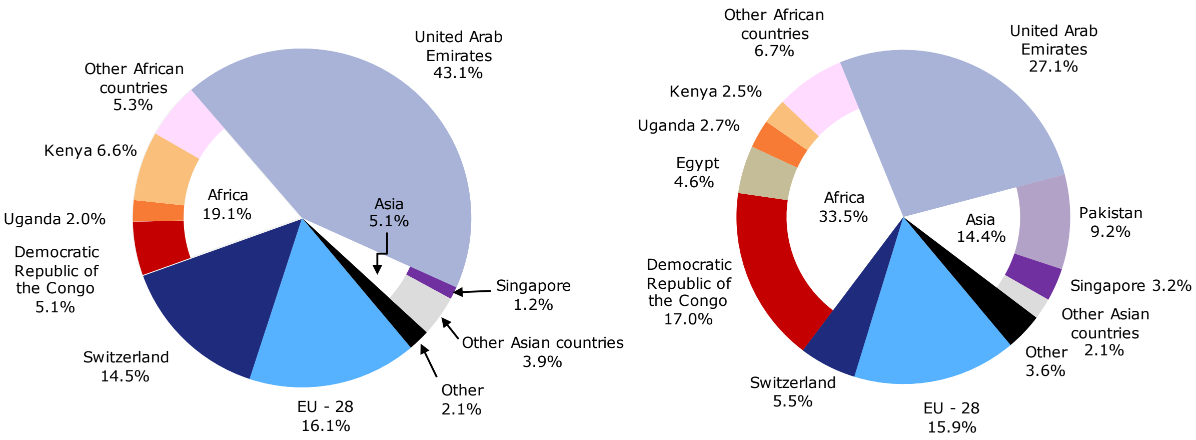


Source: WTO Secretariat calculations based on data from the UNSD Comtrade Database (SITC Rev.3).

Chart 1.2 Direction of trade in goods, 2012 and 2017

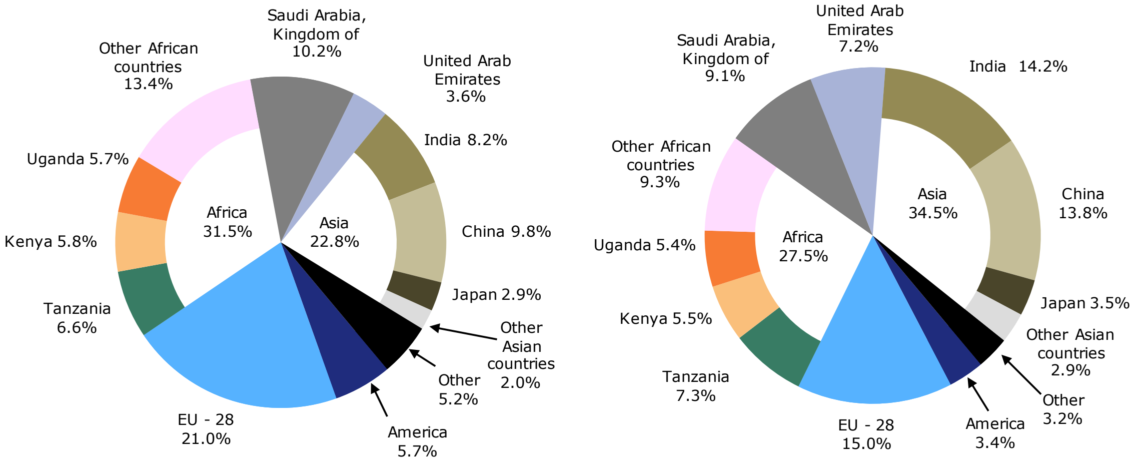
2012 **2017**

Exports, including re-exports (f.o.b.)



Total: USD 244.8 million **Total: USD 141.7 million**

Imports (c.i.f.)



Total: USD 798.3 million **Total: USD 725.2 million**

Source: WTO Secretariat calculations based on data from the UNSD Comtrade Database.

1.29. Burundi is a net importer of services (Table 1.2). The bulk of such imports relate to freight and insurance. Engineering and audit services for major works, particularly in the road building and hydro-electricity areas, are also a significant trade item. The small income from services trade comes from tourism activities.

1.3.2 FDI trends and structure

1.30. The bulk of foreign investment goes to telecommunications, infrastructure construction, and activities relating to the tea and coffee sectors. The Government is taking steps to diversify the activities that benefit from FDI by reforming the processing industry. In 2015, it adopted

Law No. 1/14 of 27 April 2015 establishing the general regime for public-private partnership contracts, with high expectations that this will help the country to attract FDI.

1.31. In spite of the country's major assets, such as its considerable potential for tourism, the availability of certain raw materials for the agri-food industries, and the possibility of preferential access to the European and American markets and within the EAC, the level of FDI is below potential because of a business environment hampered by high transaction costs resulting from unreliable energy, limited access to finance, high interest rates, and political and macroeconomic uncertainties.

1.32. FDI flows, which were relatively low from 2011 to 2013 with an annual average below USD 5 million, increased in 2014 to USD 47 million. This sudden spike appears to be the result of significant investment in telecommunications with the establishment of the Vietnamese mobile telephone company Viettel. However, FDI flows subsided in 2015, returning to their previous level. In 2016 and 2017 investments dried up owing to the political crisis and the suspension of international cooperation (Table 1.1).

2 TRADE AND INVESTMENT REGIMES

2.1 General framework

2.1. In May 2018, Burundi adopted a new Constitution by referendum. It reproduces most of the provisions of the Constitution of February 2005, which proclaims the separation of powers. The President of the Republic as well as parliamentarians are elected by direct universal suffrage.

2.2. A constitutional review took place in 2018. It extended the term of office of the President of the Republic from five years to seven years with a term limit of two terms. The current President has been in office since 2005, following elections. His term was renewed in 2010. His bid for a third term in 2015 was deemed by the opposition to be anti-constitutional and contrary to the spirit of the Arusha Peace Agreement, and there resulted a socio-political crisis.

2.3. The President of the Republic is the trustee of national independence, the integrity of the territory and the observance of international agreements and treaties. Presidential powers are exercised by decrees that are countersigned, where applicable, by the Vice-President and the Minister concerned. In the exercise of his or her functions, the President of the Republic is assisted by two Vice-Presidents, appointed by the President pending preliminary approval of their candidature by the National Assembly and the Senate. The first Vice-President is responsible for coordinating political and administrative matters, while the second Vice-President coordinates economic and social matters. The Vice-Presidents issue by order all measures required to execute the Presidential decrees in their respective areas of competence. The members of the Government, also appointed by the President of the Republic, issue all implementing measures by ordinance.

2.4. Parliament, made up of two chambers (the National Assembly and the Senate), exercises legislative power and oversees the Government's activities. The National Assembly comprises 118 members elected by proportional representation for a term of 5 years. The Senate comprises 49 members elected, also for a term of 5 years, by an electoral college composed of members of the communal councils. The last legislative elections took place in 2015.

2.5. Judicial power is vested in the Supreme Court, which is at the apex of the judicial pyramid, and in the courts of appeal and the various other courts and tribunals. The Constitutional Court is responsible for reviewing the constitutionality of laws and regulatory acts. The High Court of Justice is empowered to judge the President of the Republic and members of the Government for acts deemed to be high treason and for offences committed in the exercise of their functions. No cases have been brought before it to date. Business matters come under the jurisdiction of the Commercial Court, which has the power to help enforce the provisions of the Commercial Code and to rule on any offences relating to the Code.

2.6. The Constitution remains the highest ranking law in the country's Legal Order. In the domestic hierarchy, it comes before laws, decrees, orders (from the Vice-Presidents) and ordinances (from the Ministers). In order to carry out its programme, the Government may request authorization from Parliament to take measures that are normally the prerogative of law in the form of decree-laws for a limited period. These decree-laws must be ratified by Parliament at its next session. In the absence of such ratification, the decree-laws are considered to have lapsed and the Constitutional Court shall so rule.

2.7. International treaties and agreements are signed by the President or by a minister to whom such power has been delegated. Once signed, they must be brought before Parliament for ratification. The Constitution establishes a monist system that reaffirms the primacy of international instruments over Burundi's legal texts, subject to their reciprocal implementation by the parties.

2.8. Generally speaking, policies are formulated and implemented through laws, decrees or ordinances. Each ministry is responsible for formulating policies within its sphere of competence and for preparing the relevant draft legislation. This is done in coordination with other ministries that may be affected by the measures under consideration.

2.2 Trade policy formulation and objectives

2.9. Under the supervision of the second Vice-President, the main function of the ministry responsible for trade is to coordinate technical questions concerning the formulation, evaluation and implementation of trade policy, including WTO-related matters and any other trade agreements. Other ministries are also involved in formulating and implementing trade policy, in particular the ministry responsible for finance and the ministries responsible for sectoral matters.

2.10. Private sector organizations are generally consulted on trade policy formulation, implementation and follow-up. In 2008, under the responsibility of the second Vice-President, Burundi introduced a Consultative Framework for Dialogue between the Public and Private Sector, a discussion forum among domestic economic operators to present the difficulties with which they are faced and find solutions through public action.

2.11. The Economic and Social Council (CES), as an advisory body, is responsible for all aspects of the country's economic and social development. It may offer advice on all matters brought to its attention by the President of the Republic, the Government, the National Assembly, the Senate, or any other public institution. It may be consulted on any development or regional and subregional integration project. There are a number of laws, ordinances and regulations governing trade policies and practices in Burundi (Table 2.1).

2.12. Burundi is trying to integrate its trade and investment policy in its development strategies. These strategies are essentially guided by Vision Burundi 2025, which derives from the prospective national study: Burundi 2025, prepared in 2003. Its main aim is to introduce a diversified production sector that is competitive both internally and externally as a guarantee of the country's sustainable economic development. Burundi has a National Trade and Industrial Development Strategy (SNDIC) which aims, among other things, to promote Burundian regional and world economic integration and create a business climate conducive to investment, to improved competitiveness and to private sector growth. However, the implementation of the strategy remains a challenge for the authorities.

2.13. Burundi has considerable export development potential, especially in the coffee and tea subsectors. It also has significant assets for the development of tourism. The SNDIC has identified agro-industry, tourism and mining as priority sectors based on an analysis of their strengths and weaknesses.

Table 2.1 Main trade laws and regulations, September 2017

Area	Instrument/text	Date of entry into force
Business activities in Burundi (including unfair competition and consumer protection), competition	Law No. 1 of 16 January 2015 on the Commercial Code	16 January 2015
	Law No. 1/06 of 25 March 2010 on the legal regime for competition	25 March 2010
	Law No. 1/14 of 27 April 2015 establishing the general regime for public-private partnership contracts	27 April 2015
Investment guarantees; rights and obligations; investment regimes	Burundi's new Investment Code	1 January 2009
	Law No. 1/24 of 10 September 2008 on Burundi's Investment Code	10 September 2008
Free zone regime	Law No. 1/015 of 31 July 2001 revising Decree Law No. 1/3 of 31 August 1992 establishing a free zone regime in Burundi. In 2008, this law was incorporated into the new Investment Code.	31 July 2001
Taxes, levies and duties	Law No. 1/12 of 29 July 2013 revising Law No. 1/02 of 17 February 2009 on the introduction of the value added tax (VAT)	29 July 2013
	Ministerial Ordinance No. 540/1351 of 23 September 2013 on measures for the implementation of Law No. 1/12 of 29 July 2013 revising Law No. 1/02 of February 2000 introducing the value added tax (VAT)	23 September 2013
	Law No. 1/02 of January 2013 on income tax	24 January 2013
	Law No. 1/18 of 6 September 2013 on tax procedures	6 September 2013

Area	Instrument/text	Date of entry into force
	Amendment of certain provisions relating to earned income tax or occupational tax. Amendment of certain provisions relating to the tax on income from moveable capital assets or moveable property tax. Revision of Law No. 1/011 of 30 December 1998 establishing a fixed levy on certain taxes	13 March 2001
Customs legislation	Law No. 1/02 of 11 January 2007 establishing the Customs Code	11 January 2007
Intellectual Property (Copyright)	Law No. 1/021 of 30 December 2005 on protection of copyright and related rights	30 December 2005
	Law No. 1/13 of 28 July 2009 on industrial property in Burundi	28 July 2009
Labour Code	Decree-Law No. 1/037 of 7 July 1993 revising Burundi's Labour Code	7 July 1993
Phytosanitary legislation	Decree-Law No. 1/033 of 30 June 1993 on plant protection in Burundi	30 June 1993
State-owned enterprise privatization programme	Law No. 1/09 of 30 May 2011 establishing the Code on Private and State-Invested Enterprises	30 May 2011
	Law No. 1/07 of 10 September 2002 revising the Law on the organization of privatization of State-owned enterprises	10 September 2002
	Law No. 1/01 of 4 February 2008 on Burundi's Government Procurement Code Law on bankruptcy and companies in difficulty Law on court-approved arrangements	4 February 2008
	Order No. 120/vp2/027 of 31 January 2013 on the establishment, organization and operation of the single window for business start-ups in Burundi	31 January 2013

Source: Information supplied by the Burundian authorities.

2.3 Trade agreements and arrangements

2.3.1 WTO

2.14. Burundi is an original Member of the WTO. It grants at least most-favoured-nation (MFN) treatment to all its trading partners. It is not a signatory to any plurilateral agreement negotiated within the WTO framework and did not take part in the WTO negotiations on basic telecommunications or in those on financial services. The concessions made by Burundi at the conclusion of the Uruguay Round are contained in Schedule LV as regards goods and in document GATS/SC/116 as regards services. Burundi has not been involved in any dispute under the WTO dispute settlement mechanism, whether as a complainant, a respondent or a third party.

2.15. Burundi notified very few trade measures to the WTO during the review period. Its notifications submitted between 2012 and 2017 are listed in the table below (Table 2.2).

Table 2.2 Notifications submitted to the WTO between 1 January 2012 and 31 March 2018

Agreement and article	Requirement	Frequency	Document (most recent if submitted regularly)	Date
Agreement on Trade Facilitation				
Article 3, Section II	Category A commitments	Once only	WT/PCTF/N/BDI/1	1/5/2015
Agreement on Agriculture				
Articles 10 and 18.2, ES:1	Export subsidies	On an annual basis	G/AG/N/BDI/8 G/AG/N/BDI/7	7/4/2017 28/3/2013
Article 18.2 DS:1	Domestic support	On an annual basis (or longer for developing and least developed country Members)	G/AG/N/BDI/9 G/AG/N/BDI/6	10/4/2017 28/10/2013

Agreement and article	Requirement	Frequency	Document (most recent if submitted regularly)	Date
State trading				
Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII	New and full notification of state trading enterprises	On an annual basis	G/STR/N/16/BDI	21/4/2017
Agreement on the Application of Sanitary and Phytosanitary Measures				
Article 7, Annex B	Sanitary/phytosanitary regulations	*Ad hoc*	G/SPS/N/BDI/1-G/SPS/N/BDI/5	13/2/2014-19/7/2016
Agreement on Technical Barriers to Trade				
Article 15.2	Administrative arrangements; laws/regulations	*Ad hoc*	G/TBT/N/2/Add.18	25/7/2016
			G/TBT/N/2	8/11/1995
Article 2.9	Technical regulations	*Ad hoc*	G/TBT/N/BDI/1-G/TBT/N/BDI/3	13/11/2013-18/12/2017
Agreement on Import Licensing Procedures				
Article 7.3	Replies to questionnaire	On an annual basis	G/LIC/N/3/BDI/3	12/4/2017
Agreement on Subsidies and Countervailing Measures				
Article 25.1 – Article XVI:1	Subsidies	Annual (tri-annual for full notifications and annual for changes)	G/SCM/N/284/BDI; G/SCM/N/315/BDI	18/4/2017
			G/SCM/N/220/BDI; G/SCM/N/253/BDI	29/10/2013

Source: WTO Secretariat.

2.3.2 Regional and preferential agreements

2.16. Apart from the EAC, Burundi is also a member of the Economic Community of Central African States (ECCAS) and the Economic Community of the Great Lakes Countries (ECGLC). Within the EAC, Burundi has been negotiating an Economic Partnership Agreement (EPA). It also belongs to the Common Market for Eastern and Southern Africa (COMESA), of which it implements the trade component. In addition to the EAC and COMESA trade preferences, Burundi is granted preferential treatment by the European Union and the United States (common report, Section 2).

2.17. Burundi participates in the negotiations for the establishment of a tripartite free trade area (FTA) bringing together the EAC, COMESA and the Southern African Development Community (SADC), as well as in the African Continental Free Trade Area (AfCFTA) for which it has not yet signed the agreement.

2.18. A trade and economic cooperation agreement has been in force between Burundi and Turkey since 2015. It aims to promote trade partnerships between the companies and economic institutions of the two countries.

2.4 Investment regime

2.4.1 Overview

2.19. Because of its high transaction costs, the Burundian economy is having trouble attracting the investment needed for sustainable economic growth. Although efforts have been made over the past few years, including the adoption of a legislative framework granting tax and customs concessions to certain companies, a number of bottlenecks continue to undermine the country's competitiveness and attractiveness. In addition to the political uncertainty which causes investors to be on their guard, other factors, such as the difficulty and high cost of accessing capital, the problem of ensuring reliable access to energy, and the lack of predictability of the legal framework for business tend to discourage investment flows into Burundi.

2.20. The Burundian authorities recognize that the promotion of domestic and foreign investment and private sector development are the engines of economic growth. Accordingly, the Government has made efforts over the past few years to promote industrial development, including the establishment of reliable sources of energy by building hydroelectric power plants, and to establish strategic development plans in the main sectors of the economy.

2.21. According to the authorities, most of the texts relating to the business climate are being reviewed in order to promote investment and the development of a private sector that can help to support long-term economic growth and create decent jobs.

2.22. The World Bank report "Doing Business 2018" ranks Burundi 164th out of 190 in terms of ease of doing business, i.e. seven places lower than in 2017. This decline also applies to the ease of starting a business, where Burundi has dropped from 18th place out of 190 in 2017 to 42nd in 2018.

2.23. The basic legal framework for investment in Burundi remains the 2009 Investment Code and the Law defining the advantages granted under the Code.[1] Besides, there are concessions under specific regimes, such as the Mining Code and the regime for oil prospecting and exploration. The Investment Code defines the overall framework and the guarantees given to investors in Burundi. It guarantees identical treatment of nationals and foreigners.

2.24. The Code further confirms the benefits granted under the free zone regime. Indeed, the Law of July 2001 on the creation of a free zone determines the benefits available to enterprises that meet the eligibility criteria (Section 2.4.2).

2.25. The Commercial Code, in force since 2010[2], contains the legal framework governing companies and judicial reorganization procedures.

2.26. Companies are eligible for the benefits under the Code provided they contribute to meeting the following objectives:

- creation of domestic jobs and training of a qualified local labour force;
- creation, extension, diversification and modernization of industrial, agricultural/forestry/ livestock-farming, and services infrastructure;
- encouragement of investment in exporting industries and the sectors of the economy that use local materials and other local products;
- creation of small and medium-sized enterprises and the development of micro-enterprises;
- transfer of necessary and appropriate technologies;
- diversification of the export sectors;
- use of locally produced raw materials, *inter alia* by stimulating the production of goods and services intended for the domestic market;
- creation of backward and forward linkages in the economy;
- investment in settlements located at a distance from urban centres fixed by order of the Ministry in charge of finance;
- rehabilitation and expansion of enterprises.

[1] Law No. 1/24 of 10 September 2008 on the Investment Code and Law No. 1/23 of 24 September 2009 establishing the tax concessions under the Investment Code.

[2] Law No. 1/07 of 26 April 2010 as amended by Law No. 1/01 of 16 January 2017.

2.27. In addition to the conditions listed above, in order to be eligible for the benefits granted under the Investment Code, enterprises must:

- present an investment project that is profitable and feasible in time and space;
- submit a complete application file;
- invest in what the Government deems to be a priority sector;
- pay the application fee[3];
- undertake to protect the environment and conduct an environmental impact study (where needed) to obtain an environmental compliance certificate provided by the Ministry in charge of environment protection; and
- respect the land management schemes.

2.28. If the enterprise is located in Bujumbura or within a radius of 20 km thereof, it must prove that it has the capacity to invest at least BIF 100 million in the first year and to create at least 10 permanent jobs for Burundians. If the enterprise is located more than 20 km from Bujumbura, it must prove that it has the capacity to invest at least BIF 50 million in the first year and to create at least five permanent jobs for Burundians. At least half of the professional staff must be Burundian in both cases.

2.29. The Code offers the following concessions: exemption from conveyance duty on the purchase of real estate or land essential for making the investment and for its operation; exemption from customs duties on raw materials and equipment and on special vehicles; countervailing duty rates reduced to 5% (instead of 10% or 25%) on semi-finished or finished products used to carry out the investment project; and 2% or 5% reduction in the profit tax (against the standard rate of 30%). For investment projects that are "strategic" for Burundi, the Investment Promotion Agency (API) in conjunction with the Burundi Revenue Office (OBR) may propose that the Ministry of Finance grant additional tax and customs concessions as an exception; and a 2% reduction in profits tax may be granted if the project employs between 50 and 200 Burundian workers, and a 5% reduction if it employs more than 200 Burundian workers.

2.30. The API was created in 2009 and placed under the supervision of the Ministry of Finance, Budget and Economic Development Cooperation. Its main function is to promote investment and exports in Burundi, and in particular, to keep investors informed on all matters relating to investment promotion and exports; to provide general assistance and support to investors in general and exporters in particular, especially in obtaining documents and/or carrying out the formalities required by the law; to devise reforms needed to improve the business climate; and to engage the administrative authorities in the event of failure to implement, or to properly implement, any law or regulation relating to investment and export promotion. The API is responsible for making a recommendation, *inter alia*, on whether or not the investment project is a priority, the regime under which the enterprise is eligible, and the benefits to be granted.

2.31. The procedures for an enterprise to benefit from the incentives under the Code have not changed substantially since the last review: a pre-investment study highlighting the legal, economic and technical features of the project must be deposited with the API, which has created a unit responsible for ensuring compliance with the technical specifications. Periodic reports are issued, and if the requirements are not met, the OBR is responsible for applying the relevant penalties.

2.32. An investor is free to choose between domestic or international institutional arbitration in order to settle a dispute. Burundi is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA) and has also signed the Convention Establishing the International Centre for the Settlement of Investment Disputes (ICSID).

[3] The list of applications and of the sectors considered to have priority are available on the Investment Promotion Agency website: http://www.investburundi.bi/index.php/incitation-a-l-investissement/procedures-d-enregistrement-de-projet.

2.33. Burundi has signed Investment Promotion and Protection Agreements (IPPAs) with Germany (1984), Belgium and Luxembourg (1989), and the United Kingdom (1990). The agreements with the Comoros (2001), Kenya (2009), Mauritius (2001) and the Netherlands (2007) have not yet entered into force.

2.4.2 Free zone regime

2.34. The free zone regime is regulated by Law No. 1/015 of 31 July 2001 on the creation of a free zone regime in Burundi. It provides for four types of free zone enterprise: agricultural and livestock enterprises; industrial and craft enterprises; trading companies; and service companies. Some activities do not qualify for the free zone regime: trade in precious metals and mineral ores; exploration, mining, enrichment, refining, buying and selling of mineral ores; and coffee-related activities. The eligibility criteria depend on the type of enterprise: the agriculture and livestock as well as the industrial and craft free zone enterprises are required to export all their production and generate a "substantial" value added (at least 35%), while the commercial enterprises are required to import and re-export imported goods in an unaltered state or after packaging. The services companies eligible for free zone status are those intending to provide one or more of the following services: assembly of computer equipment; software manufacture; packaging for export; printing and publishing; production and distribution of cinematographic films; sound recordings; and tour operator services.

2.35. Both foreign and domestic investors may obtain free zone status. An advisory commission set up by the Ministry responsible for trade and industry is in charge of free zone enterprises. The concessions granted are of a tax or customs nature.

2.36. The tax concessions consist of total exemption from indirect taxes, from registration fees and stamp duty, and total exemption from profits tax for the first ten years of operation, followed by a regime in which the taxation rate is reduced to 15% instead of the standard 30%. Any free zone enterprise that has created more than 100 permanent jobs for Burundian nationals is subject to a 10% profits tax, and any free zone enterprise that reinvests at least 25% of the profits earned over the previous ten years of its existence pays 10% less than the standard rate. Free zone trading companies pay a 1% turnover tax, which is lowered to 0.8% if the company creates more than 20 permanent jobs. The dividends distributed to shareholders are exempt from all taxes during the lifetime of the company. Free zone enterprises are also exempt from the 3% tax on the wages of foreign workers.

2.37. The following customs concessions are granted to free zone enterprises: exemption from all present or future duties on imports of raw materials, intermediate products, ancillaries and capital goods; outside-quota exports; and exemption from any present or future export duties.

2.38. The following are the main obligations of free zone enterprises: to train Burundian staff and to give priority, where qualifications are equivalent, to recruiting Burundian nationals; to produce goods or services exclusively for export; and to submit to the Minister responsible for foreign trade, at the end of each year, a report showing the implementation status of the commitments undertaken. Foreign investors are required to pay a 2% tax on the total amount of their investments to the National Treasury. Capital goods imported duty free may not be moved from the place approved by the Minister without written authorization. Finished goods produced by the company and raw materials, intermediate products and ancillaries imported duty free may only be moved for the purposes of export, re-export or sale on the domestic market. In the latter case, authorization from the Minister responsible for trade and industry is necessary and sales in the customs territory may not exceed 10% of output. Such sales are subject to the normal customs regime, in other words they are treated as imports.

2.39. The overall performance of free zone enterprises to date has been very uneven. Since the free zone was set up, 45 enterprises have been approved, mainly in the fruit, vegetables, flowers and ornamental plants subsectors. However, in 2018 only five enterprises are operating under this regime (of which three are still at the investment stage), and the overall value of their exports remains low.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.1 Customs procedures, valuation and requirements

3.1. Importer registration requirements, which have not changed since Burundi's last Trade Policy Review, are regulated by Law No. 1/07 of 26 April 2010 on the Commercial Code, as amended by Law No. 1/01 of 16 January 2015. Under this legislation, any natural or legal person, irrespective of nationality, is free to import authorized products.

3.2. Any economic operator regularly engaged in import activities must apply to the Single Window for business start-ups (within the API) for a tax identification number and a registration number in the commercial register. This procedure costs BIF 40,000. The Single Window brings together the services of the Commercial Court, the API and the Burundi Revenue Office (OBR).

3.3. Under the 2010 foreign-exchange regulations, all imports of goods require a declaration of the intention to import (DII) endorsed by a commercial bank before the goods are shipped. This must be endorsed in advance by the preshipment inspection company, namely *Société Générale de Surveillance* (SGS), upon presentation in five copies of the form providing contact details of the trader, the itemized *pro-forma* invoices for the goods, the *pro-forma* transport invoices, and certificates of insurance for the goods to be paid for with foreign currency. Transport insurance is mandatory for imports valued at over BIF 15 million, and must be taken out with a local insurance company, unless a waiver is obtained from the Bank of the Republic of Burundi (BRB). Based on the DII, commercial banks are then authorized to allocate an amount in cash determined in accordance with the exchange regulations.

3.4. The preshipment inspection system is designed to enforce the mandatory standards for certain goods. The importer is charged an administration fee (Section 3.3.2). The SGS is mandated by the Government to perform the preshipment inspection of the goods on Burundi's behalf. Any product subject to the verification programme must be accompanied by a certificate of conformity, which is required to clear customs in Burundi. Customs clearance of imported goods without prior inspection before embarkation and/or without documentary control is punishable by a fine.

3.5. The OBR is responsible for customs procedures, as well as for the collection, record-keeping and administration of all taxes collected by the State, including customs duties, excise duties and VAT on imports. Import procedures are regulated by the Community Customs Code. Importers are required to clear their goods through a customs broker. A BIF 50 million bond is required for customs clearance alone and one of BIF 100 million for customs clearance and transit. For all operations, forwarding agents must also post a bond to cover all taxes and duties payable. The customs broker receives a commission for services as negotiated with the importer.

3.6. Burundi's customs procedures have remained basically unchanged since the last review of its trade policy. Nonetheless, efforts are under way to further modernize customs clearance procedures, including information gathering with a view to setting up a single window for international trade, a pilot phase prior to adopting an electronic payment system and improvement of risk management. Since 11 May 2013, the OBR has migrated to the ASYCUDA WORLD system to process customs declarations. As a general rule, the following documents are required for the customs declaration: bill of lading, commercial invoice, certificate of origin in the case of goods eligible for preferential treatment, packing list, customs declaration, and consignment note. A certificate issued by the preshipment inspection company is also required. Customs authorities may ask the importer to provide other supporting documents.

3.7. In principle, customs declarations are processed using a risk management method that provides for three channels: a red channel (high risk), requiring a physical inspection of both documents and goods before customs clearance; a yellow channel (medium risk), requiring inspection of the documents; and a green channel (low risk) for customs clearance without the need for inspection. The key factors taken into account in the risk assessment are: value issues (goods that are typically undervalued in declarations); the type of product imported; country of origin; fiscal issues (goods subject to high duties); and significant fluctuations in the quantity of goods imported. However, the authorities reported that the risk management system has yet to be implemented effectively. As a result, most goods continue to undergo physical checks, regardless of the risk level involved.

3.8. Authorized Economic Operator (AEO) status is established in Burundi under the provisions of the EAC Customs Code. This grants a special status to importers, exporters and customs brokers who have proven to be reliable partners and respectful of OBR rules. To be recognized as an AEO, the partners in question must have, *inter alia*, a satisfactory system for handling commercial paperwork, proven financial and security capacities and a thorough knowledge of the customs procedures in force in Burundi. An application form for importers, exporters and customs brokers is available on the OBR website.

3.9. In 2014, the OBR introduced a system that makes it possible to electronically track movements of trucks carrying goods, either in transit or bound for Burundi, in real time. As soon as a truck arrives at the border, an OBR agent affixes a tag enabling it to be tracked (from the OBR office), including identification of any unusual stops, unauthorized detours, or removal of the tag.[1]

3.10. Burundi has not notified the WTO of its customs valuation legislation. Nonetheless, in principle, customs valuation is based on Annex 4 of the EAC Customs Code. According to the authorities, the provisions in question are aligned with those of the WTO Customs Valuation Agreement. However, the country continues to encounter implementation problems. The common problem in the area of customs valuation is the lack of capacity to detect under-valuations, which seem to be common.

3.11. Burundi has not yet ratified the WTO Agreement on Trade Facilitation, but it has notified its Category A measures.

3.12. Under the EAC Customs Code (Chapter XX), aggrieved importers or any other authorized person may appeal to the Customs and Excise Commissioner within 30 days of the notification of a decision. If the person is not satisfied with the outcome, a further appeal may be made to the national courts within 45 days of notification of the Commissioner's ruling.

3.1.2 Rules of origin

3.13. Burundi's most recent notifications to the WTO on rules of origin date from 2001. These state that Burundi does not have non-preferential rules of origin.[2]

3.14. It does, however, apply preferential rules of origin under its participation in COMESA and the EAC (Common Report, Sections 2 and 3).

3.1.3 Customs duties

3.15. Since 2009, Burundi has been applying the EAC's Common External Tariff (CET) (Common Report, Section 3).

3.16. The Community Customs Code provides for other duties and charges applicable to imports, such as fees for overtime and cautionary visits, licence fees, and fees for services to the public (Common Report, Table 3.6). According to the authorities, Burundi applies these fees and charges.

3.17. In addition to other community duties and taxes, Burundi imposes levies such as administrative fees at a rate of 0.5% on the c.i.f. value of all imports, the security charge at a rate of 1.15% on the c.i.f. value, and a pollution tax of BIF 2 million per vehicle on all vehicles that are more than ten years old.

3.18. Burundi's tariff bindings cover 22.4% of all of its tariff lines. All tariff lines for agricultural products (WTO definition) have been bound at a ceiling of 100%, with the exception of some 6% of lines bound previously at rates ranging from 0% to 20%. Only 10% of tariff lines for non-agricultural products have been bound: at 24.2% for textiles and clothing; 20.2% for leather, rubber and

[1] Online information, viewed at: https://www.obr.bi/index.php/operations-douanieres.
[2] WTO documents G/RO/N/33 of 2 May 2001 and G/RO/N/34 of 13 June 2001.

footwear; and 11.2% for transport equipment. For 429 lines, the applied rates are higher than the bound rates.

3.19. Burundi has bound other import duties and charges at 30%.

3.1.4 Other taxes on imports

3.20. Value added tax (VAT), introduced in Burundi in 2009, is charged at a standard rate of 18% on most goods and services, including imports.[3] Law No. 1/12 of 29 July 2013 introduced a lower rate of 10% on foodstuffs, and agricultural products and inputs. Exports are also zero-rated. The Law provides a relatively short list of goods that are VAT exempt (whether imported or locally produced). These include: financial transactions; certain real estate transactions; imports and supplies of medicines, pharmaceuticals, equipment and specialized products for medical activities; supplies of agricultural products not processed by their producers; supplies of postage stamps, revenue stamps and the like; imports of goods exempted from customs duties; and international travel fares.

3.21. Whereas VAT on imports is calculated on the basis of the c.i.f. price plus import duties, the tax base for local products is the selling or assignment price.

3.22. Goods subject to excise duties include fuel, sugar, tobacco products, alcoholic beverages and carbonated beverages. The rates of these duties (specific and *ad valorem*) are identical for both imports and products of domestic origin (Table 3.1).

Table 3.1 List of products subject to excise duties, and applied rates (2018)

Product	Applied rates
Beer	BIF 39,600 per hl (except for beers produced with 100% local raw materials)
Beers produced with 100% local raw materials	BIF 12,030 per hl
Lemonade, soda, fruit juice and other soft drinks not listed in this article	BIF 30,000 per hl
Wine of any category	BIF 125 per litre
Alcohol, liqueurs and other drinks: HS tariff headings between 22082000 and 220890300	BIF 125 per litre
Sugar	BIF 600 per kg
Fuel and lubricants	BIF 210 per litre
Wine and spirits	80%
Mineral and aerated waters, whether or not flavoured	13%
Subscription or purchase of TV and radio recharge cards	12%
Consumption tax on vehicles included under CET heading 87.03 except ambulances, prison vans and hearses, at the following rates:	
For vehicles with spark ignition reciprocating piston engines, and cylinder capacity of:	
Less than or equal to 1,500 cc	5%
Between 1,501 and 3,000cc	10%
Greater than 3,000cc	15%
For motor vehicles, with compression ignition (diesel or semi-diesel), and cylinder capacity of:	
Less than or equal to 1,500cc	5%
Between 1,501 and 2,500cc	10%
Greater than 2,500cc	15%
Other vehicles included under this tariff heading	15%

Source: 2018 Budget Law.

3.1.5 Duty and tax concessions

3.23. The duty and tax exemptions and concessions regime has not changed since the last review. Burundi grants duty and tax exemptions under the regimes set out in the EAC customs legislation which specifies the list of benefiting imported goods (Common Report, Section 3.1.5.1).

[3] Law No. 1/02 of 17 February 2009 establishing value added tax.

3.24. In addition, exemptions from customs duties and taxes continue to be granted to firms approved under the Tax and Investment Codes, the 1988 Export Promotion Law and the Mining Code.

3.25. The total value of exemptions granted increased during the review period, from BIF 101 billion in 2011 to BIF 157 billion in 2017, despite a sudden steep drop in 2016 (BIF 89 billion).

3.1.6 Import prohibitions, quantitative restrictions and licensing

3.26. The import prohibition and licensing regime is regulated largely by the Community Customs Code. Goods are classified in two categories, prohibited and restricted. In the latter case, importation must be approved by the competent authorities (Common Report, Section 3.1).

3.27. In addition, a phytosanitary certificate is required for imports of seeds and plants. A certificate from the Burundian Standardization and Quality Control Bureau (BBN) is required to import food, agricultural chemicals, plants, pharmaceuticals, explosives, and articles subject to restrictions under international conventions.

3.28. According to its 2017 notification under the WTO Agreement on Import Licensing Procedures, Burundi does not maintain a licensing system to administer quantitative restrictions; an import declaration is apparently required for statistical monitoring purposes and to ensure regular supply.[4]

3.1.7 Anti-dumping, countervailing and safeguard measures

3.29. Since its last review, Burundi has made no major changes to its regime on contingency measures. It has never applied anti-dumping, countervailing or safeguard measures. The legal basis for such measures is contained in the provisions of the EAC Customs Code.

3.1.8 Other measures affecting imports

3.30. Burundi applies the trade sanctions adopted by the United Nations or regional organizations to which it belongs. It does not participate in countertrade and has not signed any agreements with governments or foreign firms to influence the quantity or value of goods and services exported to its market. There are no buffer stocks or national content requirements.

3.2 Measures directly affecting exports

3.2.1 Customs procedures and requirements

3.31. The registration formalities required to import goods for commercial purposes are also applicable to exports (Section 3.1). The same is true of customs clearance procedures. Moreover, any export must be the subject of a customs declaration.

3.32. According to the authorities, an export licence is required for statistical and exchange control purposes. All exporters are required to repatriate export earnings to a foreign-currency account opened at a resident commercial bank.

3.2.2 Taxes, charges and levies

3.33. Special rate export duties (80% of the f.o.b. value, or USD 0.52 per kilogram) are collected on raw hides. The BRB collects a charge of 0.7% on the value of gold exports. In addition, the OBR and BRB levy export duties at rates of 1% and 3%, respectively, on exports of the following minerals: wolframite, colombo-tantalite, cassiterite and coltan.

[4] WTO document G/LIC/N/3/BDI/3 of 12 April 2017.

3.2.3 Export prohibitions, restrictions and licensing

3.34. Burundi maintains a ban on exports of coffee cherries. In addition, as a party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), it bans the exportation of plants and animals listed as endangered species.

3.35. Sugar exports are subject to a quota that varies according to local demand. The quota is managed through *Société Sucrière du Moso* (SOSUMO), a firm that holds a *de facto* monopoly over sugar production. The Government specifies the amount of sugar to be sold to distributors in each region based on their demand estimates and the price of sugar on the market. During the review period, SOSUMO exported sugar only in 2012 (2,015 tonnes) and in 2017 (4,600 tonnes).

3.36. Export restrictions are administered in accordance with the Community Customs Code (common report, Section 3.2.3).

3.2.4 Export support and promotion

3.37. Burundi's latest notifications under Article XVI:1 of the GATT 1994 and under Article 25 of the Agreement on Subsidies and Countervailing Measures date from 2013 and 2017, respectively. They reported the absence of export subsidies in Burundi[5], and stated that the main export promotion instruments were the incentives described in the customs legislation, the Export Promotion Law of 1988 and the Free Zone Law (Section 2).

3.38. The 1988 Export Promotion Law abolished all export taxes. In addition, enterprises exporting non-traditional products were granted a preferential rate equal to half the ordinary tax rate charged on profits earned in a given financial year. They are also eligible for drawback at 10% of turnover, which allows the refund of customs duties and other taxes on packaging items and inputs used to manufacture the goods exported.

3.39. The API has an export promotion service which, in coordination with the Ministry responsible for trade, organizes or finances participation in market-prospecting trips or international trade fairs.

3.40. Burundi has no export guarantee or insurance mechanism.

3.3 Measures affecting production and trade

3.3.1 Incentives

3.41. Burundi grants duty and tax reductions and exemptions under its Investment Code and free zone regime, as well as under certain sector-specific regimes (e.g. the Mining Code and the Petroleum Code) (Section 4).

3.3.2 Standards and other technical regulations

3.42. Standardization, testing and certification remain the responsibility of the Burundian Standardization and Quality Control Bureau (BBN), a government body with its own legal status and financial autonomy. Since 2006, Burundi has accepted the WTO Code of Good Practice for the Preparation, Adoption, and Application of Standards.[6]

3.43. The BBN is a correspondent member of the International Organization for Standardization (ISO)[7], and has been notified as Burundi's enquiry point under the WTO Agreement on Technical Barriers to Trade (TBT). Burundi is neither a member of the International Electrotechnical Commission (IEC) nor part of the African Regional Organization for Standardization (ARSO).

[5] WTO documents G/SCM/N/220/BDI, G/SCM/N/253/BDI of 29 October 2013; and G/SCM/N/284/BDI, G/SCM/N/315/BDI of 18 April 2017.
[6] WTO document G/TBT/CS/2/Rev.12 of 17 February 2006.
[7] Correspondent members are allowed to attend ISO technical and political meetings as observers.

3.44. The BBN's main role in the process of developing standards is to prepare working papers, convene meetings of the technical committees, develop draft standards for public comment, and publish the standards and enforce them.

3.45. The standardization and quality control system is regulated by Law No. 1/03 of 4 January 2011 on the national standardization system, metrology, quality assurance and testing; Decree No. 100/092 of 29 August 2001 on the statutes of the Burundian Standardization and Quality Control Bureau (BBN)[8]; Ordinance No. 750/1582 of 6 November 2013 on the status of and procedure for drafting national standards; Ordinance No. 750/1583 of 6 November 2013 determining the legal units of measurement system; and Ordinance No. 750/1584 of 6 November 2013 establishing requirements for the verification of instruments or measuring and weighing apparatus in legal metrology.

3.46. In principle, a standardization initiative can originate from the public authorities, or else from consumers' associations, producers or the BBN. Upon receipt of a request for the introduction of a standard, the BBN sends the application file to the relevant technical committee. In 2018, there were six technical committees, covering the areas of food, mechanical engineering, civil engineering, information and communication technology, electrotechnical engineering, chemistry and the environment. Technical committees are responsible for developing standards. Draft standards are subjected to a public inquiry to garner amendments from stakeholders. Following this phase, the technical committees adopt the draft standards. Lastly, an Ordinance issued by the Minister responsible for industry publishes the standard in the Official Journal.

3.47. The bulk of the BBN's standardization activities involve adopting ISO or EAC standards as national standards. When an EAC standard is adopted, any national standard having the same purpose is cancelled.

3.48. Once adopted, Burundian standards apply equally to any person, whether national or foreign, carrying on an economic activity in national territory. By August 2018, more than 1,000 EAC standards had been adopted as Burundian standards.[9]

3.49. A Burundian standard may be made compulsory through an Ordinance issued by the Minister responsible for industry within his/her jurisdiction. On the recommendation of the BBN Board of Directors, the Minister may make a standard wholly or partly mandatory in Burundi (technical regulation). The mandatory application of a standard must pursue one or more of the following aims: to prevent misleading or fraudulent practices; to protect human safety and health; to protect the health and life of wild flora or fauna; or to protect the environment.

3.50. The Board of Directors must ensure that making the standard mandatory is the most effective way to solve a particular problem, and that national legislation and administrative and technical infrastructure allow for mandatory application of the standard. In principle, the WTO Secretariat must be notified pursuant to the Agreement on Technical Barriers to Trade (TBT), and the EAC Secretariat and member countries in accordance with current procedures.

3.51. Before making a standard mandatory, the Minister may publish his/her intention to do so in the Official Journal of Burundi and in at least one national newspaper. The information provided must include the reference and full title of the standard, state the reasons for which it is being made mandatory, specify the address at which the standard in question may be consulted or obtained, and invite any stakeholder to submit an objection in writing to the BBN Board of Directors within 90 days.

3.52. A standard cannot be made mandatory until everyone that has submitted an objection has either been heard or has waived their objection. In 2014, there were some 227 technical regulations in force in Burundi, covering food products, chemicals, mechanical and electrical products, textiles

[8] WTO documents G/SPS/GEN/1308/Rev.1, and G/TBT/GEN/162/Rev.1 of 28 February 2014.

[9] Online information from the BBN, viewed at: http://bbn-burundi.org/Documents/listofnationalstandardsadopted.pdf.

and consumer goods, as well as construction and related products.[10] However, few of these measures have been notified to the WTO (Table 2.2).

3.53. A legal metrology system operates in Burundi, based on three laboratories, specializing in the control of mass, volume and temperature, respectively. In 2013, the BBN metrology department was equipped by the German Institute of Metrology (PTB).

3.54. In 2014, a programme for checking compliance with preshipment standards was put in place to make sure imported products conform to standards that are mandatory in Burundi.

3.55. The programme includes physical inspection, product testing in accredited laboratories, quality control of production processes (where applicable) and documentary review. The programme has not yet been notified to the WTO Committee on Technical Barriers to Trade.

3.56. The merchandise conformity verification programme is applicable to all products that may be imported into Burundi.[11] Any product subject to the verification programme must be accompanied by a certificate of conformity, which is compulsory for customs clearance in Burundi. If the goods do not meet the requirements, a non-conformity report is issued to the exporter, and the goods are not allowed to be imported into the country.

3.57. The certification procedure has three lanes, according to the profile of the trader; and the exporter must pay fees for the physical inspection and documentary review (Table 3.2). Sampling and testing fees are determined by agents conducting the pre-export verification of conformity process (PVoC) on a case-by-case basis. Any goods subject to PVoC arriving at the port of entry without a certificate of conformity are charged a destination inspection fee of 15% of their c.i.f. value.

Table 3.2 Fees for preshipment product conformity verification

Routes	Description	% of f.o.b. value	Fees (USD)	
			Minimum	Maximum
A	Applicable to all suppliers/manufacturers that do not make regular shipments and to sensitive products that require regular control of quality and conformity with standards	0.50	235	2,375
B	Applicable to all suppliers/manufacturers with regular shipments and registered products	0.45	235	2,375
C	Applicable to manufacturers only	0.25	235	2,375

Source: Online information from the SGS. Viewed at: http://www.sgsgroup.com.cn/-/media/global/documents/technical-documents/technical-datasheets/sgs-gis-pca-burundi-datasheet-a4-fr-15-v5.pdf.

3.58. To obtain the certificate of conformity, the goods must undergo a combination of the following processes: a physical inspection, testing by an accredited laboratory, an audit of manufacturing procedures, or a documentary verification.

3.59. BBN inspectors are tasked with checking the documents accompanying the goods, including the certificate of conformity for products subject to SGS inspection and the quality seal for products originating in another EAC country. This verification is followed by a physical inspection of the products.[12] The BBN assigns quality seals.

[10] Online information from the BBN, viewed at: http://bbn-burundi.org/Documents/standard_standards.pdf.

[11] The certificate of conformity is not required for the following: personal and household effects; precious stones and metals; works of art; explosives and pyrotechnic articles; ammunition, weapons and instruments of war; live animals; newspapers and periodicals; postal parcels and commercial samples; donations by foreign governments or international bodies to the Burundian Government or to recognized foundations, charities and humanitarian organizations; donations and supplies to diplomatic and consular missions or to affiliated organizations of the United Nations imported for their own needs.

[12] Online information, viewed at: http://bbn-burundi.org/Qualite_04_Importation_EN.php.

3.60. The BBN has signed a Memorandum of Understanding with the Kenya Bureau of Standards (KEBS).

3.61. There is no accreditation body in Burundi.

3.62. The legal framework for marking and labelling appears to be unchanged since the last review. Burundi does not have national provisions on marking, labelling or packaging; and it uses the Codex Alimentarius standard as the main reference for food labelling. According to the Commercial Code, however, the Ministry responsible for trade may, *inter alia,* lay down requirements on the composition, quality, and denomination of goods intended for sale and the affixing of indications specifying their origin, composition, weight, volume, quantity or measurements.

3.3.3 Sanitary and phytosanitary requirements

3.63. In 2013, Burundi adopted Decree No. 100/99 of 31 March 2013 on the creation, organization, role and operation of the National Committee for the Coordination and Monitoring of Sanitary and Phytosanitary Measures. The Committee reports to the national focal points for the CODEX (BBN), the OIE (Animal Health Department) and the IPPC (Plant Protection Department)[13], which are the main agencies in Burundi's SPS institutional framework.

3.64. According to the Decree, the Committee's objectives are to: coordinate activities related to sanitary and phytosanitary measures concerning animal health, food safety and plant protection at the national level; advise on policies relating to sanitary and phytosanitary measures and supervise their implementation at the national level; facilitate the dissemination of relevant information among all parties involved with sanitary and phytosanitary measures; coordinate prior consultations with all stakeholders in the preparation of country positions in respect of the international forums that address sanitary and phytosanitary matters; prepare and coordinate SPS training programmes at the national level; provide a forum for information exchange among focal points (CODEX, OIE and IPPC), and cooperation on SPS notifications; help raise awareness on issues relating to sanitary and phytosanitary measures among all public- and private-sector stakeholders throughout the country; and strengthen the partnership between the public and private sectors.

3.65. In February 2014, under the SPS Agreement, Burundi notified the WTO of Decision No. 750/1103/2013 banning the importation, manufacture and marketing of liquor in plastic sachets and bottles.[14]

3.66. Law No. 1/123 of 23 November 2017 on plant protection in Burundi (replacing Decree-Law No. 1/033 of 30 June 1993) regulates border control of plant imports and exports and the issuance of phytosanitary certificates to exporters. The resulting controls and inspections are performed by the Plant Protection Department of the Ministry of Agriculture and Livestock. Fees are charged for these services: the phytosanitary certificate costs BIF 5,000 (less than USD 4), while phytosanitary inspection fees are not yet being collected pending the adoption of implementation instruments for the 2017 Law.

3.67. Ordinances No. 710/837 and No. 710/838 of 29 October 2001 set the status, respectively, of pesticides approved for agricultural use and pesticides prohibited for agricultural use in Burundi. Ordinance No. 770/406 of 24 March 2003 establishes a National Code of Conduct for Pesticide Management; and several ordinances authorize or prohibit the use of specific pesticides, based on information held by the National Committee responsible for the approval and control of pesticides (177 pesticides are approved, and 37 are banned from manufacture, marketing or importation in Burundi).

3.68. Law No. 1/28 of 24 December 2009 on health policy in respect of domestic animals, wild animals, aquaculture and bees covers health control at the border, among other issues. It places special emphasis on export and import controls, the establishment of a fund to combat epizootic diseases and measures to prevent communicable diseases. In general, imports and exports of animals and animal products require a health certificate, and they are subject to inspection by the Burundi Animal Protection Service. Imports of animals listed in Article 85 of the Animal Health Law

[13] WTO document G/SPS/GEN/1306/Rev.1 of 12 March 2014.
[14] WTO document G/SPS/N/BDI/3 of 13 February 2014.

require a health certificate issued by the country of origin. This must state that the animals do not come from an area in which infection by one of the communicable diseases listed in Burundian legislation has been notified in the last 42 days or more.

3.69. In June 2017, Burundi ratified the EAC Protocol on SPS Measures, which was adopted by the Council of Ministers of the Member States and signed in July 2013. The protocol aims to harmonize sanitary and phytosanitary protection measures and to facilitate the circulation of plants, phytosanitary products, food and animals within the subregion.

3.70. On 1 August 2008, Burundi ratified the Cartagena Protocol on Biosafety to the Convention on Biological Diversity. The country currently has a biosafety policy, a national biosafety committee, and a clearing house for information on the subject. A draft biotechnology safety law sets out basic rules to protect the population and the environment against the risks of genetically modified organisms (GMOs) and products derived therefrom through modern biotechnology. Once adopted, the law will apply to the import, export, transit, contained use, release or placing on the market of any GMO, whether intended for dissemination in the environment, or as a food, livestock feed, or processed product, or one derived from a GMO.

3.3.4 Competition policy and price control

3.71. The legal and institutional framework on competition has not changed significantly since Burundi's last TPR. Competition issues are governed by Law No. 1/06 of 25 March 2010 on the legal regime for competition. This legislation deals in particular with free pricing, individual or collective anti-competitive practices, and unfair competition. It provides for criminal and administrative sanctions in case of violation. Exemptions are granted for certain restrictive practices that aim, among other things, to promote Burundian exports, increase the efficiency of production and maintain the quality of services. The Law applies to any activity involving the production or distribution of goods and provision of services, or intellectual property rights undertaken in Burundian territory by natural or legal persons, whether public or private. It also applies in the following situations: when the effects of practices restricting competition implemented by firms located outside Burundi are perceived in national territory, subject to the relevant agreements; or when the effects of restrictive practices implemented by firms located in the country affect trade, particularly between States parties to the relevant agreements and treaties.

3.72. The Law provides for the creation of a competition commission to rule on violations of the law and impose sanctions, among other tasks. It can be actuated by the Minister responsible for trade and business; and it also has freedom to act on its own initiative. However, its implementing decree has not yet been adopted; and, in practice, the Commercial Court deals with competition issues.

3.73. The Ministry responsible for trade and industry is the authority in charge of competition issues. It proposes measures to the Government which it considers appropriate for the restoration of competition in certain spheres; it conducts sector-level studies on competition; and it identifies practices that could hinder competition along with the appropriate procedures to address them.

3.74. In general, the principle of free pricing remains in force in Burundi. However, the authorities, acting through the Directorate of Domestic Trade, reserve the right to regulate the prices of strategic goods and services. They may also intervene if conditions are not competitive, particularly in sectors where there are monopolies (either *de facto* or *de jure*). For example, the Government sets or administers prices for a certain number of products (Section 4); and it sets producer prices for coffee, tea, cotton and sugar. Selling prices are fixed for petroleum products, non-alcoholic carbonated beverages, beer and sugar, among other items. The Government also sets prices for a number of services, including electricity, water, passenger road transport, and fixed telephony. In the case of selling prices, the relevant decisions are notified through an ordinance from the Minister of Trade or by a decision of the boards of directors, duly approved, either tacitly or explicitly, by the Minister responsible.

3.3.5 State trading, State-owned enterprises and privatization

3.75. In 2017, pursuant to Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Memorandum of Understanding on the Interpretation of Article XVII, Burundi notified the WTO that it maintains no state trading enterprise within the meaning of the working definition given in paragraph 1 of the aforementioned Memorandum.[15] However, the State holds shares in several firms operating across most sectors of the economy (Table 3.3).

Table 3.3 List of State-invested companies and the State's share, 2011

Name of company	State share (%)
Commercial Bank of Burundi (BANCOBU)	3.03
Water and Electricity Distribution Authority (REGIDESO)	100.00
Credit Bank of Bujumbura (BCB)	10.65
Public Real Estate Corporation (SIP)	87.50
Burundian Trade and Investment Bank (BBCI)	3.30
National Bank for Economic Development (BNDE)	40.10
Burundian Airport Management Company (SOBUGEA)	90.00
Burundi Insurance Corporation (SOCABU)	25.00
Curing and Marketing Company (SODECO)	100.00
Urban Housing Promotion Fund (FPHU)	83.10
AFRICARE	0.67
Kayunza Washing Stations Management Company (Sogestal Kayanza)	14.24
AIR Burundi	100.00
Kirimiro Washing Stations Management Company (Sogestal Kirimiro)	68.80
CAMEBU	100.00
Kirundo Washing Stations Management Company (Sogestal Kirundo)	42.82
Cotton Management Company (COGERCO)	100.00
Mumirwa Washing Stations Management Company (Sogestal Mumirwa)	81.00
Supervision of social constructions and land development (ECOSAT)	100.00
Ngozi Washing Stations Management Company (Sogestal Ngozi)	26.86
Bujumbura Port Operating Company (EPB)	40.58
Imbo Rice-growing Development Company (SRD Imbo)	100.00
National Guarantee Fund (FNG)	n.a.
Moso Sugar Company (SOSUMO)	99.00
Source du Nil Hotel	54.90
Brasseries et Limonaderies du Burundi (BRARUDI SA)	40.74
National Lottery of Burundi (LONA)	100.00
National Peat Office (ONATOUR)	100.00
National Telecommunications Office (ONATEL)	100.00
Public Transport Board (OTRACO)	100.00
Burundi Tea Office (OTB)	100.00
Régie de Productions Pédagogiques (RPP)	100.00

n.a. Not available.

Source: Information provided by the Burundian authorities.

3.76. The legal and institutional framework for privatization has not changed, and privatization operations appear to have made little progress.

3.77. Law No. 1/03 of 19 February 2009 revising the law on the organization of the privatization of state-owned enterprises, services and public works, regulates the privatization and operation of state-owned enterprises in Burundi. The main bodies in charge of privatization include: (i) the Interministerial Privatization Committee (CIP); (ii) the Technical Valuation Commission (CTE); and (iii) the State-Owned Enterprise Service (SCEP).

[15] WTO document G/STR/N/16/BDI of 21 April 2017.

3.78. Privatization is implemented either by a public offer of sale or through an invitation to tender. The programme for the privatization and reform of the public services sector is the responsibility of the Ministry in charge of privatization, whose tasks include: (i) preparing and following up the policy for privatization of state-owned enterprises; and (ii) preparing and following up strategies for privatization of state-owned enterprises. The SCEP studies and analyses the respective bids, and makes recommendations to the CIP, which then makes the appropriate decision. The CTE is responsible for evaluating the bids submitted; it also reviews the business development plans submitted by bidders whose technical files are in good standing; and it decides whether each plan meets the requirements. The CIP is the privatization decision-making body.

3.3.6 Government procurement

3.79. Until January 2018, Law No. 1/01 of 4 February 2008 on Burundi's Government Procurement Code was the main legal framework governing the award of public contracts. The Code's main innovation was to have introduced structures for the control and regulation of government procurement. Thus, within the respective institutional framework, the National Directorate for the Control of Government Procurement (DNCMP) is responsible for initial control of compliance with the relevant regulations. This includes monitoring the execution of government procurement processes. The Regulatory Authority for Government Procurement is responsible, among other things, for making to the Government any recommendations likely to improve and enhance the efficiency of the government procurement system, for implementation of the relevant regulations and procedures, for out-of-court settlement of disputes arising from government procurement procedures, and for the collection and centralization of statistics on the award, fulfilment and monitoring of government procurement contracts on its website (www. armp.bi).

3.80. In January 2018, Law No. 1/04 of 29 January 2018 was adopted, amending Law No. 1/01 of 4 February 2008 on the Government Procurement Code. The new Law makes several changes to government procurement procedures, such as shortening deadlines, redefining the conditions for using government procurement methods other than competitive tendering, and raising the threshold for prior control.

3.81. The Code applies mainly to acquisitions by public-law corporations and certain private-law corporations or mixed enterprises acting on behalf of, or financially assisted by, public-law corporations, with a view to the execution of works, the supply of goods, the provision of services, or intellectual services, provided that the estimated amount of the contract is equal to or above the current thresholds: BIF 10 million for works contracts and BIF 5 million for supplies and services.[16] A single threshold of BIF 10 million is applicable in the case of contracts awarded by public enterprises.[17] Procurement contracts awarded under international financing agreements or treaties are subject to the provisions of the Code, except where contrary to the provisions of the agreements and treaties in question. The procurement threshold is BIF 10 million.[18]

3.82. Procurement documents are prepared by the contracting authorities benefiting from the procurement, through their procurement management units. Among other things, the contracting authority draws up the annual procurement plans, which must receive the DNCMP's notice of no objection. Once this is obtained, the entire procurement procedure is conducted by the Public Procurement Management Unit.

3.83. Pursuant to the legislation, the invitation to tender may be open, restricted or involve a competition. Open tendering is in principle the rule; the use of any other procurement method must be exceptional and justified by the contracting authority. In processes involving amounts below the procurement thresholds, the contracting authority may use the request for quotation procedure, provided that the procedures followed comply with the principles laid down in the Code.

[16] Ministerial Ordinance No. 540/1035/2008 of 26 October 2008 defining the thresholds for awarding contracts, control and publication of government procurement.

[17] Ministerial Ordinance No. 540/249/2010 of 14 February 2010 defining the threshold for awarding contracts, control and publication of government procurement by state-owned enterprises of a commercial nature.

[18] Ministerial Ordinance No. 540/753/2009 of 8 June 2009 defining the thresholds for awarding contracts, control and publication of externally financed public contracts.

3.84. Invitations to tender and pre-qualification notifications must be published in the government procurement journal, on the government procurement website, or in a national or international newspaper.

3.85. In exceptional cases, contracts may be awarded by direct negotiation or mutual agreement. Recourse to direct negotiation or mutual agreement should be exceptional, be justified in advance by the contracting authority in accordance with the conditions laid down by the Code and pending special authorization from the DNCMP. The contracting authorities must ensure that, in each financial year, the cumulative amount of direct awards made by each contracting authority does not exceed 10% of the total amount of its government procurement contracts. In the event that a contracting authority requests an authorization to negotiate a contract directly and the 10% threshold is exceeded, the ARMP must be called upon to validate the procedure. Recourse to direct negotiation or mutual agreement is subject to the limitations provided for in Articles 99 and 101 respectively. These include the urgent nature of the case and other specific factors. During the period under review, open tenders were the main mode of procurement (Table 3.4).

Table 3.4 Statistics on government procurement by procedure, 2012-2017

Procedure	2012	2013	2014	2015	2016	2017
Direct negotiation	47	35	25	36	24	**42**
Restricted consultation	7	55	7	3	3	**5**
Open tender	400	421	472	405	607	**671**
Total	**454**	**511**	**504**	**444**	**634**	**718**

Source: Government Procurement Regulatory Authority (ARMP), *Rapport Annuel 2016*. Online information: http://www.armp.bi/files/Rapports/Rapports%20Annuels/Rapport_2016.pdf.

3.86. In principle, national preference may be granted to domestic firms fulfilling the criteria defined by legislation. In no case may this exceed 10% for works or 15% for supplies and services. The margin must be quantified in the tender documents as a percentage of the amount of the bid.

3.87. Bidders that consider themselves to have been unfairly treated may lodge a complaint with the Contracting Authority or a higher authority within five working days of the date of publication of the award decision. Any such complaint must invoke a manifest violation of the government procurement regulations. Decisions by the Contracting Authority may be appealed to the ARMP; and the latter's decisions may be appealed to a jurisdictional authority.

3.3.7 Intellectual property rights

3.88. During the review period, Burundi signed several agreements on intellectual property rights (IPRs). Within the framework of the treaties administered by the World Intellectual Property Organization (WIPO), Burundi has signed the Berne Convention for the Protection of Literary and Artistic Works (12 April 2016) and the WIPO Copyright Treaty (12 April 2016). It is also a contracting party to the Convention Establishing the World Intellectual Property Organization (30 March 1977) and the Paris Convention for the Protection of Industrial Property (3 September 1977). In addition, it signed the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity (12 October 2014). Burundi is also a signatory to several other IPR agreements.[19]

3.89. The Industrial Property Department (within the Directorate responsible for industry) has primary responsibility for reviewing and approving applications to register industrial property rights; and it serves as the contact point for all industrial property matters. The Burundian Office for Copyright and Neighbouring Rights (OBDA), located in the Ministry responsible for culture, is responsible for copyright and related-rights issues.

3.90. The main IPR laws in force in Burundi are: Law No. 1/13 of 28 July 2009 on industrial property in Burundi (in force since 2009) and Law No. 1/021 of 30 December 2005 on the protection of copyright and neighbouring rights in Burundi (2005). These laws have not yet been notified to the WTO, however.

[19] Online information, viewed at: http://www.wipo.int/wipolex/en/profile.jsp?code=BI.

3.91. The Law on Industrial Property governs rights in respect of the following: patents, geographical indications, undisclosed information (trade secrets), trademarks, utility models, trade names, protection of new plant varieties, genetic resources, traditional knowledge, layout designs of integrated circuits. It specifies the scope, duration and any exclusions for each type of right.

3.92. Burundian legislation allows compulsory licences to be issued in certain cases. At the request of any interested party or the Public Prosecutor's Office, submitted after the expiry of four years from the date on which the patent application was filed, or three years from the granting of the patent, whichever is later, a compulsory or non-voluntary licence may be granted if one or more of the following conditions are met:

- the public interest, particularly national security, nutrition, health or the development of other vital sectors of the national economy, so requires;
- a judicial or administrative body has ruled that the patent holder or licensee is making use of the invention in an abusive or anti-competitive fashion, or does not meet the demand for the protected product on reasonable terms in sufficient quality and quantity;
- the patent-holder refuses to grant licences under reasonable commercial terms and conditions;
- the establishment or development of industrial or commercial activities is unfairly or substantially prejudiced.

3.93. The main responsibility of the Directorate-General for Industry is to review and approve applications for the registration of industrial property rights. Nonetheless, in practice, the demand for and granting of industrial property rights is virtually non-existent in Burundi[20], possibly owing to the absence of regulation in this area for a considerable time.

3.94. In 2012, the authorities adopted the following instruments: Ministerial Ordinance No. 540/2046 of 24 December 2012 on procedures for the deposit and registration of trademarks, service marks, collective marks, trade names and certification marks; Ministerial Ordinance No. 540/2042 of 24 December 2012 on procedures for the deposit and registration of industrial designs; Ministerial Ordinance No. 540/2047 of 24 December 2012 on procedures for the deposit and registration of geographical indications; and Joint Ordinance No. 540/750/1582 of 14 September 2012 on fees for services rendered in respect of industrial property.

3.95. The Law on the Protection of Copyright and Neighbouring Rights covers, *inter alia*, literary, musical, artistic and audiovisual works. Authors are entitled to commercially exploit their work themselves or to assign commercial rights in such a way as to obtain a profit, where applicable. The term of protection granted by law for economic rights in protected works extends throughout the lifetime of the author and for 50 years after the author's death. Anonymous or pseudonymous works are protected for 50 years from the date on which the work in question was legally made available to the public. However, when the identity of the author is disclosed, or there is no doubt as to the author's actual identity prior to the end of that period, the protection is the same as that granted for economic rights.

3.96. Among its other duties, the OBDA is responsible for enforcing copyright. It represents the copyright owners, in respect of musical productions and performances, audiovisual performances, and reproduction of works.

3.97. Although the law provides for sanctions and border measures to prevent counterfeit or pirated goods from being imported, application of the measures remains very sketchy or non-existent.

3.98. The most common IPR violations recorded in Burundi are counterfeiting, fraudulent imitation and forgery. The products involved include pharmaceuticals, textiles, cosmetics, electrical and electronic goods and computer programs. Most of these items seem to be imported. Weak enforcement of the sanctions provided for in the law and the low price of counterfeit products appear to be the main causes of intellectual property violations.

[20] Online information from the WIPO, viewed at: http://www.wipo.int/ipstats/en/statistics/country_profile/profile.jsp?code=BI.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, forestry and fishing

4.1. Agriculture (including forestry, livestock and fishing) remains the main economic sector, representing over 40% of GDP and employing about 90% of the country's workforce. It consists chiefly of family farms producing coffee (on which about 800,000 planters depend directly), followed by tea; it is characterized by traditional farming methods with low productivity. Livestock farming is generally extensive and accounts for about 19% of agricultural GDP and 4% of total GDP. Despite the fishery potential of Lake Tanganyika, fishing remains a marginal artisanal activity.

4.2. Agricultural products (mainly coffee and tea) are the main source of foreign exchange; although their contribution to export earnings dipped below 50% in 2012 and 2013, it bounced back to over 60% in 2015 and 2016. The main food crops are legumes, in particular beans, soya beans, peas and green bananas; tubers and other root vegetables, in particular cassava, sweet potatoes, potatoes and yams; and cereals, including maize, sorghum, rice and wheat. The Burundian livestock population consists of bovine cattle, goats, poultry, sheep, rabbits and pigs (Table 4.1). Food-crop and livestock farming production is primarily intended for domestic consumption.

Table 4.1 Statistics on agricultural products, 2011-2016

Indicator	2011	2012	2013	2014	2015	2016
Main agricultural products (thousands of tonnes)						
Cereals	327	246.3	243.6	226.3	219.3	4,502
Legumes	232	236.7	258.8	274.9	282.9	1,367
Roots and tubers	1,560	2,051.3	3,333.0	3,203.2	3,462.1	26,359
Bananas	149	1,184.1	2,235.7	1,362.8	865.6	n.a.
Export crops (tonnes)						
Quantity of cherry coffee (tonnes)	41,960	83,943	36,383	68,142	96,254	21,283
Quantity of green tea	40,852	42,148	41,817	53,893	50,578	n.a.
Seed cotton	1,890	1,622	2,238	2,457	2,299	2,010
Livestock products						
Bovine cattle (thousands of head)	654	609	640	689	760	623
Sheep (thousands of head)	333	441	406	426	602	229
Goats (thousands of head)	2,286	2,489	2,349	2,348	2,368	2,357
Pigs (thousands of head)	444	404	436	540	561	333
Poultry (thousands of head)	2,553	2,449	1,979	2,984	2,664	1,677
Fishing						
Traditional fishing (tonnes)	710	865	774	1,218	2,080	1,560
Artisanal fishing (tonnes)	11,360	13,578	12,458	14,794	18,198	20,245

n.a. Not available.

Source: ENAB, Farm Year 2014-2015, taken from the Assessment of the Implementation of the Poverty Reduction Strategy Paper PRSP II: 2012-2015, December 2016.

4.3. Burundi's agricultural sector has several strong points, including the variety of ecosystems, the presence of unexploited marshland, irrigable plains and a very extensive network of lakes and rivers. However, it still faces many constraints, in particular demographic pressure, climatic vagaries, limited access to credit, rudimentary modernization of production methods and soil degradation, with the result that productivity is low. Demographic pressures on the land remain a major challenge for land tenure security, which is a key factor in investment decision-making in the agricultural sector.

4.1.1 Agricultural policy

4.4. The main responsibilities of the Ministry in charge of agriculture are the design, formulation and implementation of agricultural policy.[1] Several other entities also intervene in the agricultural sector: the Ministry responsible for rural development (MDR); the Ministry responsible for trade (in connection with trade relations); the Ministry in charge of finance (tax matters); the Ministry

[1] Decree No. 100/115 of 30 April 2013 on the reorganization of the Ministry of Agriculture and Livestock.

responsible for the economy (price controls); the Ministry in charge of health (for some sanitary and phytosanitary matters); and producers' associations.

4.5. Burundi's development strategy guidelines, as set out in the Poverty Reduction Strategy Paper (PRSP), consider the agricultural sector to be a lever for poverty reduction. However, the allocation of public resources to agriculture continues to fluctuate, and during the review period has generally been small, falling short of the commitment made by the African Heads of State at the Maputo African Union Summit in July 2003 to devote 10% of national budgetary resources to agriculture. The authorities have indicated that Burundi does attain the 10% target if the agricultural components of other ministries are taken into account.

4.6. Food security remains the objective of government policy and action in the agricultural sector. To this end, Burundi intends to move forward from subsistence agriculture to commercial agriculture, through an improvement in productivity leading to higher food production as well as encouraging the creation of decent jobs in the sector.

4.7. In 2008 the Government drew up a National Agricultural Strategy (SAN), but this appears to have suffered from a lack of effective operationalization despite the preparation of an action programme and a set of subsectoral strategies. With a view to implementing the national strategic guidelines, the Government adopted some subsectoral strategy papers, in particular the national food security programme (PNSA); the strategy paper for livestock (DOS-Elevage); the national aquaculture strategy; and the strategic master plan for watershed and marshland research and management. Phase II of the SAN (2018-2022) is currently being prepared and is expected to be adopted by the end of 2018. The SAN specifically aims to boost agricultural productivity and output and develop sustainable production systems; promote specific crops and agri-business in order to develop and diversify sources of growth; professionalize producers and develop private enterprise; and strengthen management and sustainable development capacity in the agricultural sector in order to transform Burundi's subsistence agriculture into a profitable and professionally managed market agriculture.

4.8. In 2011, in cooperation with all the sector's stakeholders, the Government established a National Agricultural Investment Plan (PNIA) in order to revive agricultural production and tackle the food deficit. The PNIA is thus the operationalization framework for all the investment needed in order to implement all the strategies in the agricultural sector. The mobilization of financial resources, professionalization of producers and promotion of innovation, development of specific subsectors and agri-business, and public institution building, have been the anchor points for implementation of the PNIA. During the review period, a number of programmes have thus been implemented.[2]

4.9. From 2012 to 2015, action taken in the PNIA framework led to the development of 6,877 ha of marshland and 31,260 ha of water catchment areas, and the construction of the KAJEKE irrigation dam which, once completed, should allow the irrigation of 3,000 ha in the Imbo floodplain. In addition, the launch of the national fertilizer subsidy programme resulted in the distribution of high-quality inputs for farmers, although at a slower pace from 2014 onwards owing to the scarcity of resources. Agronomic and post-harvest research activities were intensified with respect to industrial crops, cereals, legumes, roots and tubers and the horticultural chain. The promotion of applied research also boosted propagation by root cuttings for coffee plants, coffee plants from seed, tea tree root cuttings, macadamia, maize and rice plants, cassava root cuttings, potatoes and rooting slips.

4.10. The implementation of the PNIA has also led to other achievements such as the dissemination of processing methods for producing fruit juice and jam from pineapples, papayas, mangoes and maracuja (passion-fruit); the production of equipment such as machinery for mincing cassava leaves, improved chimney solar drying plants, and weeding hoes; and the introduction of yam bean crops, semen for artificial insemination, forage seeds and forestry and agro-forestry seedlings. However, the impact of these measures on food crop production still appears to be insufficient in relation to food security needs. Following a clear increase in food crop production between the

[2] UNDP, Bilan de Mise en Oeuvre du Cadre Stratégique de Croissance et de Lutte contre la Pauvreté (Progress on Implementation of the Growth and Poverty Reduction Strategy Paper) PRSP II: 2012-2015, Bujumbura, December 2016.

2011-2012 and 2012-2013 farm years, the ensuing periods showed limited results, with successive declines in the 2013-2014 and 2014-2015 farm years (Table 4.1).

4.11. With a view to alleviating land tenure uncertainty and the tensions arising from the return of refugees and displaced persons, in 2011 the Government adopted a Land Tenure Code. The reform was primarily aimed at increasing land tenure security and the prevention of conflict. The major innovations consist of stricter rules governing expropriation and attribution of state-owned land, and the creation of new communal land services. In particular, a system of land management formally recognized by the State was introduced, under which certificates are issued by the new communal land services. The Code also set up a National Land Commission, which is responsible for monitoring the effective implementation of the Land Tenure Code and to act as a national observatory for land tenure issues in Burundi.

4.12. The agricultural sector enjoys relatively high nominal tariff protection as well as some tax exemptions or relief (common report, Section 3.1.4). The simple average of customs duties in the agricultural sector (SITC definition) is 18.1%, with rates ranging from zero to 75%. As in the case of the previous review, relatively high rates apply in particular to imports of meat, fish and most fishery products, coffee, tea, cocoa and some legumes. Imports of agricultural products, including food, are in principle subject to sanitary requirements (Section 3.3.3).

4.13. Agricultural and livestock products are exempt from VAT or taxed at a reduced rate (Section 3.1.4). Other exemptions are aimed at encouraging investment in agriculture. Thus, unbuilt property exclusively used for agricultural purposes is exempt from the property tax, and animal-drawn vehicles or vehicles used for agriculture are not subject to the vehicle tax.

4.14. Several state-owned enterprises are still involved in the coffee, tea and cotton subsectors and subsidize the inputs, in particular seeds, fertilizers and pesticides, which they provide to farmers (Section 3.3.5).

4.1.1.1 Policy by subsector

4.1.1.1.1 Agriculture

4.1.1.1.1.1 Coffee

4.15. Coffee is still by far the biggest foreign exchange earner in Burundi, accounting for around 36% in 2016. About 800,000 households work in the coffee subsector. An area of some 60,000 ha is devoted to coffee growing, mainly for the production of Arabica, which accounts for 96% of total national output, the rest being Robusta. The subsector continues to face huge challenges. There are generally large fluctuations in production, owing in particular to weather conditions, soil erosion resulting from over-exploitation of the land without the possibility of its being left fallow, the ageing of the coffee trees, and conflict, all of which is compounded by very limited access to suitable fertilizers.

4.16. Two regulatory bodies are responsible for the management of the subsector: the Coffee Chain Regulatory Authority of Burundi (ARFIC), an administrative public establishment which is primarily responsible for coordinating and monitoring the activities of all the stakeholders in the coffee subsector; and INTERCAFE Burundi, an association of all those who participate in the Burundian coffee subsector, with responsibility for supporting the various groupings operating within the chain, from producers to traders, via the processors. The coffee producers are grouped in associations, from "colline" level to national level (National Confederation of Coffee Growers (CNAC)). The remuneration of the ARFIC, as well as that of all the other bodies of the subsector, is based on the services it delivers to the coffee subsector.

4.17. The subsector consists of a number of stakeholders. Producers are for the most part grouped in associations (about 600,000 households). The industrial link of the chain, which mainly comprises first and second stage processing, consists of the washing station management companies (SOGESTALs) and milling companies.

4.18. The procedures in the value chain have not changed since the previous review. Processing is done by the washing companies (SOGESTALs) that convert the cherries into parchment, and the milling companies that convert the parchment into green coffee.

4.19. The five SOGESTALs are mixed (semi-public) enterprises, in which the State holds between 14 and 81% of the capital. These companies own 133 modern washing stations spread over the country's various regions. The SOGESTALs purchase the coffee cherries from the planters at a provisional price fixed in consultation with representatives of all the stakeholders in the chain. The provisional price is submitted to the Council of Ministers for approval. Even after adoption by the Council, the price remains subject to upward (not downward) adjustment if the estimates are exceeded, whereas deficits are not passed on to the planters. The SOGESTALs deduct the cost of the inputs supplied on credit from the sum paid to the planters.

4.20. The SOGESTALs deliver the parchment to the millers, who remove the parchment skin. There are four of these companies, of which two are public (SODECOs) and two private (SONICOFF and SIVCA). The millers are paid by the SOGESTALs for the services rendered, the green coffee they produce remaining the property of the SOGESTALs. The SOGESTALs bear the parchment transport and storage costs. The planters may also pulp and dry the cherries and turn them into parchment, which they then sell to traders, without passing through the washing stations. The traders then sell the parchment to the millers. However, the coffee thus produced is often of inferior quality.

4.21. Government efforts to support coffee production under the PNIA have essentially been geared to boosting yields and improving quality, in particular through the supply of inputs and production equipment. Actions aimed at quality improvement have led to an increase in the production of exportable coffee, as well as to the equipping of several coffee washing stations with wastewater treatment systems.

4.22. Imports of unprocessed coffee, other than beans, are subject to an average tariff of 19.6% (Section 3.1.3).

4.1.1.1.1.2 Tea

4.23. Tea production represents a major opportunity for exports and for poverty reduction in Burundi. Around 2% of Burundian households grow tea, a percentage that rises to nearly 15% in the areas where there is a tea factory. Moreover, tea accounts on average for over 10% of the value of total exports.

4.24. Tea is grown in an area of about 8,000 ha, with a yield of about 13,965 tonnes in 2017. Almost three quarters of total production comes from family holdings, and the rest from plantations belonging to industrial units of the Burundi Tea Board (OTB), a wholly state-owned enterprise.

4.25. The OTB carries out almost the full range of activities, from the supply of seedlings and fertilizers, the collection and processing of the green leaves, to the export of the finished product. Since the Government launched the liberalization process in 2007, four companies have been approved to work in the subsector, and one of them (PROTHEM) began operations to purchase and process green leaves in 2011.

4.26. The OTB is also responsible for extension services to support tea planters, to whom it supplies seeds free of charge and sells inputs such as fertilizers and herbicides on credit and at cost price. It is also in charge of training the planters in plucking techniques. It buys the tea leaves from the planters at a price determined on the basis of technical parameters and projections of the price of dry tea on the international market. The cost of the inputs is deducted from the price paid to the planters; this price is, on average, 30 to 35% of the market price for the dry tea.

4.27. Almost 95% of the tea produced in the OTB's factories is exported, mainly through the Mombasa tea auction (on average, 60% of production). The sales are made for the account of the OTB by international brokers with whom the Board negotiates annual contracts. Producers may also export their own products.

4.28. Action under the PNIA has also targeted the tea subsector. As a result of the OTB's efforts aimed at increasing the size of plantations, introducing new plants and boosting the capacity of the

Rwegura factory, there has been an improvement not only in the level of output but also in terms of income.

4.29. Imports of tea and other products in the same group are subject to an average tariff of 25%.

4.1.1.1.1.3 Cotton

4.30. Burundi's cotton exports are marginal. The collapse of production may basically be attributed to producer prices, which the farmers consider inadequate and unattractive compared with those for other crops. Other significant factors are the high operating costs and the closure of COTEBU, which absorbed the whole of domestic cotton production, and inadequate extension services to support the cotton producers.

4.31. The Compagnie de Gérance du Coton (Cotton Management Company – COGERCO), a state-owned company, and local private growers own the cotton plantations. COGERCO buys the cotton from the private growers (at agreed prices) and after processing it into fibre sells the entire output to the textile factory belonging to the Mauricienne Afritexile, a private company.

4.32. Under the PNIA, efforts to revive cotton production have primarily targeted increasing the planted areas, boosting cotton fibre yields per hectare, providing more inputs and raising producer prices. These actions have borne fruit and raised production from 1,622 tonnes in 2012 to 2,457 tonnes in 2014, before a drop to 2,300 tonnes in 2015.

4.33. Imports of raw cotton bear a zero-rated customs duty, while products obtained by processing raw cotton, such as yarn and fabrics, and cotton clothing, are subject to higher average rates, of 19.6% and 25.3% respectively.

4.1.1.1.1.4 Sugar

4.34. The main stakeholders in the sugar industry have not changed since the previous review. Almost 90% of cane sugar is produced by industrial units belonging to the Moso Sugar Company (SOSUMO), a semi-public company with a government-appointed Board, which owns the only factory for converting raw cane sugar into white sugar. The remaining 10% is produced by small plantations, mostly situated within a 15 km radius of the factory. SOSUMO provides the small plantations with inputs, such as fertilizer and pesticides, on credit.

4.35. SOSUMO has had an average annual output of about 22,000 tonnes since 2011, with a rising trend.[3]

4.36. In April 2017, the Government announced the introduction of a sugar import quota depending on the local market demand situation. There is also a sugar export quota (Section 3.2.3).

4.1.1.1.1.5 Livestock

4.37. A livestock development strategy paper, linked with the SAN and the PNIA, was prepared in 2009 and adopted in 2012 to provide a detailed overview of the livestock sector with a view to drawing up the Strategy Paper (DOS).

4.38. Animal production (about 5% of GDP) has remained stable overall since 2011 (Table 4.1). All livestock production is intended for domestic consumption. Livestock farming also provides inputs for crop production by providing manure and draft animals.

4.39. In principle, all cattle must be taken to an approved slaughterhouse before the meat can be marketed. The Bujumbura abattoir, a public enterprise under the Ministry responsible for livestock, is the main slaughterhouse. It charges a slaughter tax of BIF 3,000 per head for cattle and BIF 1,700 per head for sheep, goats and pigs. Milk is mainly produced by private dairy farmers, mostly located in the region of Bujumbura, the principal market. Poultry production continues to contend with a lack of, or high-priced, inputs as well as competing cheap imports.

[3] Online information, viewed at: http://sosumo-burundi.com/images/rapport_annuel_2013_2014.pdf.

4.40. There are other constraints on the development of livestock production, such as the shortcomings of the technical support services for livestock breeders, especially in terms of veterinary care and balanced feeding; the poor state of the production facilities and basic infrastructure; and the high cost of getting products to market. This partly explains the difference in price between local products and imports. In addition, the traditional extensive system remains the main mode of animal production, but modern methods are beginning to develop, in particular in the poultry sector around Bujumbura.

4.41. In recent years, the Government has introduced programmes for restocking the herds of livestock farmers with higher quality animals – cattle, goats, pigs, and poultry (in particular laying hens) as well as rabbits. At the same time, genetic improvement through cattle insemination and the protection of livestock against diseases through vaccination against foot and mouth disease have had a positive effect on livestock productivity, especially in the case of cattle and poultry raising, where performance has improved.

4.1.1.1.1.6 Fishing

4.42. The bodies of water where fishing is done consist mainly of Lake Tanganyika (8% of the total area of the lake, or 2,280 km², and 9% of the length of the shoreline, or 159 km), the southern parts of Lakes Cohoha and Rweru in the northwest (about 140 km²), the waters of the eight other natural lakes in the north and the watercourses draining Burundi, and the waters of its artificial ponds and lakes.

4.43. Fishing (including aquaculture) remains marginal, accounting for about 2% of Burundi's agricultural GDP. It provides a livelihood for about 100,000 people and contributes a third of the population's animal protein consumption. Law No. 01/17 of 30 November 2016 on the organization of fishing and aquaculture in Burundi regulates this subsector. Two types of fishing are practised: traditional and artisanal. There is a large difference between traditional and artisanal fishing, although both types have greatly increased their production (Table 4.1), which is essentially intended for the domestic market.

4.44. Traditional fishing is a form of inshore subsistence fishing practised in the northern part of Lake Tanganyika as well as on Lakes Cohoha and Rweru. Artisanal fishing, a small-scale commercial activity practised close to the shores of Lake Tanganyika and in the south of the country, accounts for most of the catch. There are 54 landing sites along the shores of Lake Tanganyika at which the fish are first sold. Transport costs and the lack of storage facilities make it difficult to distribute the fish within the country. Industrial fishing is negligible; according to the authorities, it is practised mainly by foreign and a few domestic entrepreneurs. Processing activities are confined to smoking or drying using artisanal methods.

4.45. Government efforts to develop fishing and promote aquaculture have targeted the distribution of tilapia and clarias fry and the restocking of the artificial lakes of Kavuruga and Rwegura, as well as capacity-building for fish farmers. Nevertheless, there are still major needs in terms of modernization through greater use of modern fishing methods that favour the preservation of species, improve working conditions and ensure the promotion of suitable conservation measures.

4.46. Fishery products bear an average customs duty of 24.6%. The Government levies a specific tax of BIF 5 per kg of fish sold (whether local or imported). The cost of fishing licences varies according to the type of activity: BIF 2,500 for traditional fishing, BIF 5,000 per year for artisanal fishing and BIF 400,000 per year for industrial fishing. Fishermen must also obtain a registration certificate (BIF 3,500), a certificate of seaworthiness (BIF 5,000) and a voyage permit (BIF 500 per trip). Industrial fishermen must also pay a tax of BIF 3,000 per cubic metre on their vessels. According to the authorities, these rates are currently being revised pursuant to Law No. 01 /017 of 30 November 2016.

4.47. A national aquaculture development strategy has been in place since 2010, centred on improving production systems, strengthening support services and organizing the subsector. However, implementation seems to be facing enormous difficulties; the authorities indicate that the process is underway, in particular as regards fish farming.

4.1.1.1.1.7 Forestry

4.48. Burundi's natural forests cover about 103,000 ha, or 3.70% of the country's territory. Artificial forests cover 69,000 ha, or 2.47%. The forestry and agro-forestry subsector contributes about 2% of GDP and provides 6% of jobs.

4.49. In 2012, Burundi adopted a forestry policy paper providing the overall guidelines for public action in the regulation of the use of woodland areas and the management and exploitation of forestry resources. A new law amending the Forestry Code of 1985 was adopted in 2016.[4] It establishes the regime for the development, conservation, exploitation and use of the country's forestry resources.

4.50. Two types of tax are applied in the forestry subsector, a transport tax and a reforestation tax. The transport tax on forestry products (set at 5% of the sales price of the product) is paid by the trader to obtain the authorization to transport and sell forestry products, whether purchased or coming from the trader's own logging activity. The reforestation tax (set at 30% of the value of the cutting permit for communal woodland) is paid by the holder of the cutting permit for the restoration of the felled areas and as far as possible the creation of new woodland. The average customs duty on forestry products is 13.4%.

4.2 Mining and energy

4.2.1 Mining products

4.51. Burundi has a large and varied mining potential, mainly involving nickel and its associated minerals, namely copper, cobalt and the elements of the platinum group, vanadium, cassiterite, colombo-tantalite (coltan), wolframite, rare earths, gold, peat, and signs of hydrocarbons. Despite this potential, the sector contributes less than 1% of GDP. However, mining accounts for a substantial proportion of foreign exchange earnings, averaging over 5% of exports since 2012. Tin, tungsten, coltan and gold are the main ores extracted and exported (Table 4.2).

Table 4.2 Trends in mining exports by type of ore, 2011-2016

	Gold	Tin	Coltan	Tungsten
2011	1,051,926.7	51,844.2	158,781.7	505,105
2012	2,146,859.48	116,720.2	258,578.1	564,769.6
2013	2,823,238.35	3,132.2	73,518.3	115,212.7
2014	649,725	-	105,546.7	48,909.3
2015	548,502.04	71,717.5	53,092.5	39,564
2016	396	25,200	73,192	166,898

Source: Assessment of the Implementation of the Poverty Reduction Strategy Paper PRSP II: 2012-2015, December 2016.

4.52. Mining is primarily artisanal and small-scale. Artisanal mining is an important means of survival for nearly 34,000 people in rural areas.[5] Mining production was generally unstable over the review period, with a sharp drop in gold production between 2013 and 2015 (Table 4.3).

Table 4.3 Trends in mining production by product, 2011-2016

Indicator	2011	2012	2013	2014	2015	2016
Gold	1,051.9	2,146.9	2,823.2	649.7	548.5	396
Tin	51,844.2	11,672.2	3,132.2	-	71,717.5	22,243.5
Coltan	158,781.7	258,578.1	73,518.3	105,546.7	53,092.5	31,687.1
Wolframite	505,105	564,769.6	115,213	48,909.3	39,564	131,432

Source: Assessment of Implementation of the Poverty Reduction Strategy Paper PRSP II: 2012-2015, December 2016.

[4] Law No. 1/07 of 15 July 2016 amending the Forestry Code.
[5] Online information viewed at: http://documents.worldbank.org/curated/en/494681468190181664/pdf/103086-WP-P145997-Box394854B-PUBLIC-Burundi-English-1607197-Web-FRENCH.pdf.

4.53. Burundi enacted a new Mining Code in 2013[6] to replace Decree-Law No. 1/138 of 17 July 1976 establishing the Mining and Petroleum Code. However, there has been some delay in the issuing of its legal and regulatory implementing instruments. Its provisions apply to all operations of exploration, prospecting, industrial and artisanal exploitation, processing, storage, transport and marketing, as well as closure of mines, relating to mineral or fossil substances, thermal waters and quarrying products on the territory and in the territorial waters of Burundi, with the exception of liquid or gaseous hydrocarbons, which are governed by specific laws. Under the Code, the State has the role of regulator and does not engage in mining activities.

4.54. The Code provides for the following types of authorization: prospecting permits, which do not confer upon their holder any right to dispose of discovered substances, which remain the property of the State; exploration permits; exploitation permits; and artisanal exploitation permits. According to the authorities, so far six exploration permits and ten industrial exploitation permits for mining and quarrying have been issued. A charge is levied for the issuing and renewal of mining and quarrying permits. The amounts and methods for the payment of this charge are set out in Decree-Law No. 1/12 of 15 October 2013 establishing the Mining Code of Burundi.

4.55. To obtain an exploration permit, the applicant must submit to the Ministry responsible for mining a dossier that complies with the regulatory requirements, including: an overall work programme for the duration requested that is adapted to the geographical and geological features of the area concerned; the information to enable the Ministry to judge the applicant's technical and financial capacity to carry out the programme; and an environmental impact study. The maximum duration of an exploration permit is three years from the date of issue, renewable twice, each time for a period of two years.

4.56. The mining title consists of an exploitation permit that must be accompanied by a mining agreement. The mining agreement attached to an exploitation permit must as a minimum contain clauses stipulating the mining company's undertakings with respect to the creation of infrastructure, socio-economic contributions and the recruitment of employees or subcontractors who are Burundian nationals, provided they are equally qualified; a ministerial ordinance establishes the model for such mining agreements concluded with the State.

4.57. The grant of an industrial exploitation permit entitles the State, free of charge, to at least 10% of the shares or in-kind shares of the mining company. The duration of the mining permit is 25 years, and thereafter it may be renewed for periods of ten years at a time. Exploitation permits may only be granted for substances for which an exploration permit has been granted.

4.58. In the case of artisanal exploitation of minerals, a permit for a specified perimeter is required. Only mining cooperatives set up in accordance with the Code of Private and State-Invested Companies may obtain an artisanal mining permit. The artisanal exploitation permit is valid for two years, renewable under the same conditions as the initial application for periods of two years at a time.

4.59. Pursuant to the Code, the enterprises which it regulates are subject to the ordinary tax and customs regime of Burundi. In addition, an annual surface-area royalty is levied on mining and quarrying rights. The surface-area royalty is payable for any mining and quarrying permit during its term of validity, calculated according to the hectare, with a fraction of a hectare counting as a hectare. The surface-area royalty is fixed by a regulation. Artisanal mining and quarrying as well as the mineral trading agencies (comptoirs) are subject to an *ad valorem* tax based on the product value. The *ad valorem* tax rate for mining permits is 3% for base metals, 0.7% for precious metals, 2% for precious stones, and 1.5% for other minerals.

4.60. Political and social instability, the lack of electricity and the absence of a railway are factors that hinder investment in both prospecting and exploitation. Furthermore, the rational planning of the mining sector remains complex owing to the difficulties in collecting reliable statistics, especially given the predominance of generally informal artisanal activities. Other explanatory factors include the inadequate dissemination of the Mining Code, and the unregulated activities of some small-scale

[6] Law No. 1/21 of 15 October 2013 on the Mining Code of Burundi.

gold miners (orpailleurs) who refuse to join up in associations and sell their production to the approved agencies.

4.61. The Government is reportedly preparing to submit Burundi's candidacy to the Secretariat of the Extractive Industries Transparency Initiative.

4.2.2 Energy and water

4.2.2.1 Water

4.62. Burundi has extensive water resources, in particular ground water. However, it still faces a serious lack of basic equipment and of an efficient water supply management system.

4.63. Since 2009 the Government has set about reorganizing the subsector in order to ensure the rational and sustainable management of water resources and water works of public interest. Thus, it adopted a national water policy (2009), a national water strategy (period 2011-2020), a national water sanitation policy (2013) and a Water Code (2012). The latter regulates the use and management of water for different purposes (agriculture, drinking water, hydroelectricity, industrial use). However, the implementing texts have not yet been finalized. Overall, the rate of coverage of drinking water appears to have improved, at 92.6% in urban areas and 67% in rural areas.[7]

4.64. REGIDESO is responsible for the production, distribution and marketing of water in urban areas, whereas since 2010 in rural areas municipalities (communes outside the REGIDESO perimeter) have been responsible for protecting water resources, ensuring the maintenance and development of infrastructure, and organizing the proper operation of water supply services. The formal division of responsibilities between the stakeholders in local water management is set out in a public service concession contract between the commune and the communal water board (an association set up under private law).

4.65. The Rural Water Agency (AHR), under the Ministry responsible for water, supports the planning, programming, monitoring and evaluation, supervision and studies relating to rural water works, and provides technical advice for communes. The AHR is responsible in particular for the organization and training of the staff of several communal water boards.

4.66. The National Coordinating Committee for the Water Sector (CNCE) is responsible for ensuring dialogue and coordination among all the stakeholders.

4.2.2.2 Electricity

4.67. The contribution of electricity to Burundi's GDP is estimated at only 1%. The availability of power remains very limited, at less than 5% of the population. The Water and Electricity Distribution Authority (REGIDESO), a state-owned company, has a total generating capacity of about 36 MW, of which 30 MW are hydroelectric, spread over 9 power stations of very different sizes, ranging from Rwegura (18 MW) to Mugere (8 MW), Nyemanga (2.8 MW), Ruvyironza (1.5 MW) and Gikonge (1 MW); and 5.5 MW of diesel generated electricity. The Burundian Agency for Rural Electrification (ABER) operates five hydroelectric mini-power stations for a total generation of 0.47 MW supplying small isolated centres. In addition there are several small hydraulic plants operated by private entities (diplomatic missions, Burundi Tea Board) for an estimated total power of 0.65 MW.

4.68. Supply continues to fall short of demand, and therefore REGIDESO has to import about 29% of electric power. In this context, two hydraulic power stations on the Ruzizi River are shared by Rwanda, the Democratic Republic of the Congo and Burundi. Ruzizi I power station is operated by SNEL, a Congolese company, while Ruzizi II is operated by the Société Internationale d'électricité des Pays des Grands-Lacs (SINELAC), a tri-national company. The electricity is sold in equal shares to the three national power companies, at a price that is regularly revised by agreement among the three countries.

[7] UNDP Burundi, Assessment of the Implementation of the Poverty Reduction Strategy Paper PRSP II: 2012-2015, Bujumbura December 2016.

4.69. Roughly 58% of domestic electricity production is hydraulic and 10% comes from thermal power stations. The electricity generation deficit varies between 13 MW during the rainy season and 25 MW during the dry season, when the hydroelectric power stations operate at reduced capacity. The equipment is old and badly maintained, resulting in a line loss rate of over 15%. The unreliability of the grid creates many difficulties for economic operators, such as interruptions of activity and spoiled goods caused by power cuts, and therefore manufacturers resort to the establishment of back-up systems. Thus, the Burundi Tea Board has a 450 kW hydraulic micro station that can cover about 70% of the electricity needs of its Teza factory, and thermal generating units for its other factories that operate during power cuts. The Moso Sugar Company is self-reliant during the sugar production period thanks to its cogeneration unit (2 x 2 MW).[8]

4.70. The Government is aiming at an electrification rate of 13% by 2020, by stepping up the reforms to improve the performance of REGIDESO and to complete work on the new regional infrastructures, namely Rusumo Falls (80 MW), Ruzizi III, (147 MW) and the establishment of new high-voltage lines, including the Gitega-Ngozi-Butare-Kigoma 220 KV line, the Kamanyora-Bujumbura 220 KV line and the Rusumo Falls-Gitega–Bujumbura 220 KV line.

4.71. In addition, the legal and regulatory framework has been revised to allow private investment in electricity generation in order to accompany the country's industrialization. Thus Law No. 1/014 of 20 August 2000 on the Liberalization and Regulation of the Drinking Water and Electricity Sector put an end in principle to REGIDESO's monopoly over electricity production in the national territory. However, the implementing texts were only adopted in 2016.[9] As a result, the state-owned company REGIDESO has remained the dominant operator in the Burundian electricity subsector, and is responsible for managing and operating the power plants, transport lines and distribution networks.

4.72. In 2011, Burundi adopted the Law establishing the Regulatory Agency for the Drinking Water, Electricity and Mining Sectors (AREEM), whose members were reportedly appointed only in 2017. The AREEM is thus responsible for regulating activities in the electricity sector, including competition and the approval of tariffs.

4.73. REGIDESO adopted a new table of rates in 2017 (Table 4.4). The tariffs depend on a number of factors, including the voltage category, level of subscribed power and consumption tier.

Table 4.4 Electricity rates applicable throughout Burundi, 2017

Tier	New tariff	Fixed charges
1. Low voltage, households		
0 to 50 kWh	82	0.00
51 to 150 kWh	290	0.00
151 and over	546	6,822
2. Low voltage, commercial		
0 to 100 kWh	195	4,122
101 to 250 kWh	313	8,266
251 and over	399	12,398
3. Government		
Single tier	313	11,500
4. Medium voltage customers		
4.1 Medium voltage with subscribed power (SP) and peak		
Subscribed power		9,274 (New fixed premium BIF/kWh/Month)
SP surcharge		18,547 (New fixed premium BIF/kWh/Month)
Peak hours (first 150 hours)	281 (New tariff per kWh BIF/kWh)	

[8] Diagnostic study of the Burundi energy sector in the framework of the Sustainable Energy for All Initiative, Bujumbura, June 2013.

[9] Decree No. 100/130 of 23 June 2016 on the reorganization of the transport, distribution and marketing of electricity; and Decree No. 100/132 of 23 June 2016 on the procedures for the development of a power plant for exclusive and commercial use.

Tier	New tariff	Fixed charges
Off-peak hours (151 and over)	195 (New tariff per kWh BIF/kWh)	
4.2 Medium-voltage with subscribed power (SP) and without peak		
Subscribed power		16,283 (New fixed premium BIF/kWh/Month)
SP surcharge		16,283 (New fixed premium BIF/kWh/Month)
Single tier	218 (New tariff per kWh BIF/kWh)	
4.3 Medium-voltage without subscribed power (SP) and without peak		
Single tier	319 (New tariff per kWh BIF/kWh)	

Source: Information provided by the Burundian authorities.

4.74. Electricity is imported duty-free.

4.2.2.3 Hydrocarbons

4.75. Burundi is not an oil producer, and the explorations conducted in collaboration with the Democratic Republic of the Congo along Lake Tanganyika were unsuccessful.

4.76. Burundi currently imports all the petroleum products it needs. In 2016, these imports accounted for about 17.1% of total imports. The poor state of the roads has contributed to the increase in the prices of petroleum products as the Government has been forced to reduce the upper limit on the amount of petrol transported by lorry from 60,000 litres to 30,000 litres to prevent further deterioration of the road surface.

4.77. Decree-Law No. 1/138 of 17 July 1976 establishing the Mining and Petroleum Code (whose provisions relating to hydrocarbons are currently being reviewed) regulates the hydrocarbons sector in Burundi. Decree No. 100/110 of 25 June 2008 on the regulation of the importation and marketing of petroleum products specifically regulates activities relating to the import and marketing of these products. Private enterprises must be approved by the Ministry responsible for trade in order to import and sell petroleum products. The application for approval must include: the trade registry enrolment record specifying importation of petroleum products; the importer's registration code; the tax identification number (NIF); the company by-laws; a tax clearance certificate from the public treasury; a certificate from an approved commercial bank certifying the deposit of a minimum capital of BIF 1 billion intended exclusively for the importation of petroleum products; and an undertaking duly signed by the applicant to comply unreservedly with all regulations.

4.78. The approved importers for petroleum products are Interpetrol, Mogas Burundi, Delta Petroleum Burundi, Jet Fuel, BPP Engen, Yakeime Oil Company, Mount Meru, New Oil Company, Asha Ramy Energy, Merez Petroleum, Sippebu, Engen Petroleum Burundi and Kobil Burundi, all private companies.

4.79. There are two storage facilities in Burundi, the Bujumbura facility managed by Engen and the Gitega tank farm managed by Interpetrol.

4.80. Fuel prices (except for aviation fuel) are set each month by a tripartite commission (Government, importers and consumers). The price is supposed to cover all the importers' and dealers' costs, and can vary according to the province.

4.3 Manufacturing

4.81. The share of manufacturing in GDP has remained stable at around 11%. Industrial production is characterized by the predominance of state-owned enterprises and small units, operating particularly in the agri-food industry, and consists mainly of brewers, soft drink manufacturing, tea factories and sugar mills. There are also some small and medium-sized enterprises in the textiles industry. The past decade has seen heavy investment in information and communications technology (ICT), which has become an essential factor in Burundi's efforts to overcome its landlocked status.

4.82. The country has a National Trade and Industrial Development Strategy (SNDIC) (Section 2.2), aimed at: improving the business climate; establishing infrastructure; developing economic, technological and industrial zones; deepening the regional integration process; improving economic competitiveness; reviving industrialization by targeting investment at three priority sectors (agri-food industry, tourism, and mining and quarrying); establishing public-private partnerships; certification capacity-building; facilitating financing for agro-industrial and rural entrepreneurs' projects; and diversifying sources of finance for industrial and trade activities.

4.83. Burundi is reportedly finalizing its national industrialization policy and drawing up a plan of action for its implementation.

4.84. Despite preferential access to markets in the United States (AGOA) and the European Union (Everything but Arms), Burundi's manufacturing export potential is limited and at best subregional.

4.85. There are still many challenges facing the development of the sector. The lack of implementation of the government strategies is compounded by competition from the other EAC countries, transport and electricity constraints, high operating costs, small market size, lack of skilled labour and weakness of the local private sector.

4.86. The simple average of applied MFN rates in the manufacturing sector (SITC definition) is 12.7%. For manufactures as a whole, the tariff displays mixed escalation (common report, Table 3.6), with negative escalation for raw materials (15.9%) to semi-finished products (9.9%) and positive escalation from semi-finished to finished products (14.3%), which burdens the production costs of enterprises using taxed inputs and/or discourages them from improving their competitiveness.

4.4 Services

4.87. Services account for about 40% of GDP and employ less than 10% of the active population. The main branches of the services sector, in terms of their contribution to GDP, are transport, telecommunications, tourism and financial services, including banking. Tourism has been severely constrained, first by the civil war and once again since the 2015 political crisis.

4.88. Burundi has undertaken commitments with respect to a number of services under the General Agreement on Trade and Services (GATS), namely business services, construction and related engineering services, distribution services, health-related services, and social services.[10] For these services, Burundi has bound, without limitations on market access and national treatment, all the measures affecting their cross-border supply, their consumption abroad and commercial presence with a view to supplying those services. With the exception of medical specialists, managers and specialized senior management (subject to horizontal concessions), measures affecting the presence of natural persons have not been bound. Burundi did not participate either in the WTO negotiations on basic telecommunications or in those on financial services.

4.4.1 Postal and telecommunications services

4.89. During the review period, postal and telecommunications services accounted for roughly 3% of GDP on average. The regulatory and institutional frameworks for the subsector have not changed significantly.

4.90. Telecommunications services are governed by the Law of 4 September 1997, which opened up the subsector to private investment. It also led to the establishment of the Telecommunications Regulation and Control Agency (ARCT) pursuant to Decree No. 100/182 of 30 September 1997. The ARCT operates under the authority of the President of the Republic. It is responsible, *inter alia*, for ensuring compliance with the licensing regulations in the subsector and with competition rules, and for establishing the technical and administrative specifications for the type approval of communications equipment. In addition to the ARCT, the National Commission for the Information

[10] WTO Document GATS/SC/116 of 15 April 1994.

Society (CNSI) and the Executive Secretariat for Information and Communications Technologies (SETIC) also have responsibilities relating to telecommunications.

4.91. The CNSI is tasked with supporting the Government in the coordination, implementation and monitoring of the national policy for the development of information and communications technologies. The SETIC's responsibilities include the design, coordination, follow up and evaluation of all projects and programmes relating to the development of information and communications technologies.

4.92. During the previous trade policy review of Burundi, the Government planned (i) to review the mandates of, and divide up responsibilities between, the ARCT, CNSI and SETIC to ensure greater coherence and efficiency; (ii) to complete the privatization of ONATEL; (iii) to strengthen the independence of the ARCT as a regulatory authority; (iv) to draw up a plan for cooperation with the bodies in the EAC countries responsible for telecommunications matters and to share information to facilitate subregional comparisons of prices and competition; and (v) to define the pricing mechanisms and the range of telecommunications services for the laws on competition and consumer protection.

4.93. Pursuant to Ministerial Ordinance No. 520/730/540/231 of 9 April 1999 establishing the operating conditions for activities in the telecommunications sector, licences are granted by the Ministry responsible for telecommunications on the recommendation of the ARCT. The price of a licence is USD 200,000 for the basic telephone and mobile cellular networks, and USD 100,000 for the fixed cellular network. Operators must also pay a USD 1,000 administrative tax, a USD 500 equipment approval tax and an annual fee of 0.5% of turnover.

4.94. Decree No. 100/186 of 16 October 2017 on the creation and management of the fund for the universal service in information and communication technologies in Burundi provides a framework for the organization of the Universal Service Access Fund placed under the responsibility of the ARCT. The Fund was established to finance, *inter alia*, universal access to basic telecommunications services for all inhabitants of isolated areas at an affordable price; support for disadvantaged segments of the economy; and the free delivery of emergency electronic communications. The resources of the Fund come primarily from a 1% levy on the turnover of telecommunications operators.

4.95. A draft Law establishing the Electronic Communications and Postal Services Code was adopted in 2016. It provides a single framework governing the electronic communications and postal services sectors and sets out the legal regime for electronic communications and postal activities in Burundi.

4.4.1.1 Telecommunications

4.96. The telecommunications market has grown rapidly in recent years. The number of mobile telephone subscribers rose from roughly 1,240,000 (or about 14.5%) in 2011 to 5,920,000 (roughly 50%) in 2017. The mobile telephony market consists of four operators: LACELL, ONATEL MOBILE (the 100% State-owned incumbent operator), ECONET LEO and VIETTEL (since 2014). They are licensed to establish and operate technologically neutral mobile telecommunication networks in order to provide broadband mobile Internet services.

4.97. Two operators share the fixed telephony market (ONATEL FIXE and VIETTEL). ONATEL, the incumbent operator, provides wired fixed telephony, while since 2015 VIETTEL provides wireless fixed telephony. The country had 21,000 fixed telephone lines in 2017.

4.98. In 2017, six operators were licensed to provide fixed broadband Internet services (CBINET, SPIDERNET, OSANET, USAN, LAMIWIRELESS, and NT GLOBAL). The Internet penetration rate rose from about 1% to roughly 7% in 2017. The number of Internet subscribers consists largely of mobile Internet subscribers, for 99.6% of the Internet market, as against 0.4% of fixed Internet subscribers. The ARCT is responsible for the supervision and management of Burundian domain names, ".bi", through the National Informatics Centre.

4.99. A fund for access to the universal telecommunications service has been set up under Decree No. 100/186 of 16 October 2017 on the creation and management of the ICT Universal Service Fund in Burundi. A tax of 1% is levied on turnover (excluding taxes and interconnection charges) during the previous financial year as a contribution by operators to the universal electronic communications and postal service.

4.4.1.2 Postal services

4.100. Under the Ministry responsible for postal services, the National Postal Authority (RNP), a government agency, offers postal and financial (current account) services in Burundi through a functional network of seven post offices in the Commune of Bujumbura and 21 others throughout the country. Some services are reserved for the RNP, in particular the distribution of letters and other missives, sealed or open, postcards and advertisements, circulars and prospectuses when they bear the address of the intended recipient.

4.101. The collection and distribution of express letters and small parcels sent by international mail are open to private operators, including foreign operators, who must sign an agreement with the RNP stipulating the conditions under which they are approved to carry on their activities in Burundi.

4.4.2 Transport

4.102. In recent years, Burundi's national development strategies, in particular the PRSP II, have emphasized the promotion of multimodal transport combining complementary road, lake and air transport. The objective is significantly to reduce transport costs, which are a major component in the pricing of goods.

4.103. Burundi does not have direct access to the sea. It depends on its road, rail and air links as well as lake transport on Lake Tanganyika for the carriage of its imports and exports.

4.104. Air transport primarily concerns passengers and plays only a minor role in freight transport owing to its high cost. Roads are therefore the main means of transport used in Burundi, given the current unreliability of the Tanzanian rail network link with Kigoma. There is no domestic rail network.

4.4.2.1 Road transport

4.105. The legal framework governing road transport has not changed significantly since the previous trade policy review of Burundi.[11]

4.106. Law No. 1/04 of 17 February 2009 on inland road transport is the main regulatory text in this field. Road transport policy is formulated and implemented by the Ministry responsible for transport. The Ministries responsible for public works and infrastructure and for rural development deal with road infrastructure. The Burundian Agency for Public Interest Works (ABUTIP) implements donor-supported projects, including projects in the road sector, by concluding construction contracts. The planning, supervision and coordination of construction and maintenance activities for the road network are the responsibility of the Burundi Highway Board (OdR), under the supervision of the Ministry of Public Works and Infrastructure. The National Road Fund was created to mobilize financial resources for the maintenance of the road network. Pursuant to Law No. 1/06 of 10 September 2002, it is financed by the proceeds of fuel taxes, driving licences, road tolls, axle charges, motor vehicle import taxes, compensation paid for damage to the road network, possible State contributions, as well as grants or contributions from international organizations intended for road maintenance.

4.107. Most road freight services are provided by private operators that carry food products, agricultural products, cattle, manufactured consumer products and other industrial products along two main corridors. About 500 Burundian goods vehicles are engaged in international transport, compared with about 40,000 Tanzanian goods vehicles.

4.108. Passenger transport is provided by private minibus operators or by the Public Transport Board (OTRACO), a state-owned enterprise. Intercity transport has been liberalized and is dominated by private operators. However, as part of its strategy the Government intends to increase the subsidies granted to OTRACO to improve rural services. An interministerial committee in which other

[11] WTO Document WT/TPR/S/271/BDI/Rev.1 of 23 November 2012.

public and private organizations also participate sets the rates for transport within Bujumbura. The Ministry of Transport, Public Works and Infrastructure has developed a sectoral policy (2011-2025) containing an analysis of the subsector and proposals for future action.

4.4.2.2 Air transport

4.109. Burundi has one international airport (Bujumbura International Airport) and four national aerodromes (Gitega, Kirundo, Ngozi and Gihofi). The national carrier, Air Burundi, ceased operating in 2007. Traffic at Bujumbura Airport has been relatively stable since 2017, after decreasing slightly in 2015 and 2016 (Table 4.5).

4.110. International services are provided by seven international carriers under bilateral agreements on air services. These are Kenya Airways, SN Brussels Airlines, Ethiopian Airlines, Rwandair Express, Air Tanzania, South African Airways and TMK (Democratic Republic of the Congo).

4.111. Law No. 1/13 of 2 May 2012 establishing the Civil Aviation Code is the main legislation governing civil aviation in Burundi.

4.112. Under the Ministry responsible for transport, the Burundi Civil Aviation Authority (AACB), formerly the Aviation Services Authority (RSA), provides services relating to the regulation and control of civil aviation. Its main responsibilities include the issuing of air transport licences; provision of air navigation, assistance and aeronautical information services; airport management and operation; aircraft registration and the safety of air navigation and of aircraft, in particular airworthiness; the regulation of air transport services; and advising the Government on civil aviation matters. Freight handling services at Bujumbura Airport are provided by the Burundi Airport Management Company (SOBUGEA). The AACB fixes the landing fees and charges relating to storage and loading of goods: (i) a landing fee, which increases with the weight of the aircraft; (ii) an overflight fee, which increases with the weight of the aircraft; (iii) a parking tax of USD 0.1 multiplied by the number of hours of parking and the weight; (iv) a passenger tax of USD 40 per person; and (v) a lighting charge of USD 200 per landing or take-off.

4.113. In general, in addition to the technical requirements, one of the conditions for the allocation of traffic rights to a company is the existence of a multilateral or bilateral agreement. Burundi has signed bilateral agreements with 18 countries[12]; these agreements define the frequency of the services and the number of passengers. Of these agreements, 11 are being or have been implemented since being signed. All international flights operated by the airlines use Bujumbura Airport. Burundi is a signatory to the Yamoussoukro Decision and the Convention on International Civil Aviation (Chicago Convention); it is also a member of the International Civil Aviation Organization (ICAO).

Table 4.5 Bujumbura International Airport Traffic, 2013 to 2017

	Arrivals				Departures				
Period	Passengers	Baggage (tonnes)	Freight (tonnes)	Mail (tonnes)	Passengers	Baggage (tonnes)	Freight (tonnes)	Mail (tonnes)	Aircraft arrivals + departures
2013	148,395	36	2,148	37	109,208	5	335	47	6,830
2014	134,438	103	2,448	39	106,684	n.a.	345	100	6,235
2015	120,136	n.a.	2,246	29	86,941	n.a.	293	43	5,466
2016	105,886	n.a.	1,738	32	75,494	n.a.	267	65	4,181
2017	131,476	2,097	2,042	47	77,140	348	120	62	4,930

n.a. Not available.

Source: Information provided by the authorities.

[12] Belgium, Cameroon, Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, France, Gabon, Kenya, Republic of the Congo, Romania, Russian Federation, Rwanda, South Africa, Switzerland, Tanzania, Uganda and Zambia.

4.4.2.3 Lake transport

4.114. Lake transport in Burundi takes place over Lake Tanganyika from the port of Bujumbura and secondarily the port of Rumonge. Lake transport links Burundi with Tanzania, Zambia and the Democratic Republic of the Congo (DRC).

4.115. Bujumbura Port has three main docks: a 400-metre berthing dock with four cranes for general goods, a 100-metre container berthing dock and a 100-metre petroleum dock. It handles traffic on the north-south corridor from Sudan to South Africa. The goods transiting through this port often come from Zambia (Mpulungu port). However, goods are now mostly carried by road because of the chronic problems caused by the poor operation of the Dar-es-Salaam to Kigoma railway. Two companies, ARNOLAC and BATRALAC, dominate the Burundian merchant fleet.

4.116. Law No. 1/11 of 16 May 2010 establishing the Lake Navigation and Transport Code is the main legislation in this area.

4.117. Operators from lakeside countries and Rwanda are permitted to engage in cabotage. Lake transport freight tariffs are fixed by decree of the Ministry responsible for trade and industry. The tariff rates also cover administrative costs and other expenses (in particular cleaning) associated with the transport of goods. The tariffs charged vary according to the chosen route and the nature of the goods. Thus, on both the Bujumbura-Kigoma and Bujumbura-Mpulungu routes, the tariff for coffee is lower than that for other goods.

4.118. The Maritime, Ports and Railway Authority (AMPF), under the supervision of the Ministry in charge of transport, is responsible for the administration and management of ports in Burundi. However in December 2012 the company Global Port Services Burundi (GPSB) was given a concession for the operation (including maintenance and storage) of Bujumbura Port for a period of 30 years.

4.4.3 Tourism

4.119. Tourism accounts for about 8% of Burundi's GDP and is one of its main sources of foreign exchange. The number of visitors remains low and seems to consist primarily of business travellers. According to the authorities, hotel capacity has increased considerably, especially in Bujumbura. Whereas the country had only 87 hotels in 2010 (for a total of 1,568 rooms), in 2018 more than 570 hotels were registered in Burundi, with a capacity of 7,232 rooms.

4.120. Tourist arrivals, mostly from African countries, declined in 2015 and 2016 before bouncing back in 2017 (Table 4.6).

Table 4.6 Tourist arrivals in Burundi, 2012-2017

	2012	2013	2014	2015	2016	2017
Arrivals by region						
Total	**147**	**234**	**235**	**131**	**187**	**299**
Africa	125	148	152	58	85	138
Americas	3	10	5	26	28	33
East Asia and Pacific	4	11	12	7	21	42
Europe	9	38	37	1	2	8
Middle East	1	14	13	22	25	55
South Asia	3	7	8	11	17	15
Other, not classified	2	6	8	6	9	8
Arrivals, by main purpose						
Total	**147**	**234**	**235**	**131**	**187**	**299**
Personal reasons	134	217	193	121	156	224
Holidays, leisure	121	183	172	103	135	132
Other personal reasons	13	34	21	18	21	28
Business and professional reasons	13	17	42	10	31	47
Arrivals, by means of transport						
Total	**147**	**234**	**235**	**131**	**187**	**299**
Air	41	92	86	46	74	89
Water	14	21	26	13	15	16
Land	92	121	123	72	98	107
Road	92	121	123	72	98	87

Source: Data provided by the National Tourist Office of Burundi.

4.121. In 2011, the Government drew up a national strategy for the sustainable development of tourism over the period 2011-2020. It contains a number of priority action programmes to attract private investment and boost demand in order to make a significant contribution to the country's economy. Accordingly, the authorities reorganized the National Tourist Office, tasking it primarily with promoting tourism in Burundi in line with the tourism development policy; designed and produced tourism promotion materials; made an inventory, classification and delimitation of 126 tourist sites, together with their signage (100 sites have been evaluated and classified); and carried out studies to develop hot springs (Munini, Muhweza, Ruhwa, Kabezi and Gisagara), the Karera falls and the monument to the meeting between Livingstone and Stanley).

4.122. The National Strategy Paper for the sustainable development of tourism states that the country's regulatory framework for tourism is obsolete and does not reflect current realities. The main legal instrument is Ordinance 41/291 of 2 September 1955 on the operation of hotels, restaurants, family boarding houses and bars. It deals substantively with the conditions for the grant of operating licences in the tourism area and is supplemented by some provisions of the Commercial Code. Law No. 1/10 of 11 July 2008 reintroducing the hotel and tourism tax, and Ordinance No. 750/753 of 6 May 2010 revising the conditions for obtaining licences to operate hotels, restaurants and bars, are the legal instruments regulating the sector pending the introduction of the Tourism Framework Law and its implementing texts, which are in the process of being finalized. The rules on classification of hotels, restaurants and other tourist facilities adopted by the member countries of the EAC have already been published in Burundi and preparations are being made to train hotel classification assessors.

4.123. A framework law is reportedly under preparation to address the shortcomings of the current regulatory framework, together with three draft decrees. The latter concern the regulation of the construction of tourism establishments; the activities of travel agents, tour operators, car rental agencies and the tourist guide profession; and the creation of two crosscutting bodies, namely a National Tourism Commission and a Technical Committee on Approval and Classification.

4.124. Burundi has a large and varied range of tourist attractions. These include Lake Tanganyika, the Gishora sacred drum sanctuary, Fort Bomani at Gitega, the Gitega national ethnographical museum, and the Rubumba coronation site in Muramyva province. The country also has bountiful natural forest reserves that are home to a wide variety of wild fauna and flora.

4.4.4 Financial services

4.4.4.1 Banks and other financial institutions

4.125. The Bank of the Republic of Burundi (BRB), the Central Bank, is responsible for the supervision and regulation of the activities of banks, non-banking financial institutions and microfinance. In 2017, the banking sector consisted of ten banks, two non-banking financial institutions (the National Economic Development Bank (BNDE) and the Fund for the Promotion of Urban Housing (FPHU), 40 microfinance institutions, including 17 credit cooperatives, and 73 approved foreign-exchange offices.

4.126. Since 2017, Law No. 1/017 of 23 October 2003 on the regulation of banks and financial institutions and Decree No. 100/203 of 22 July 2006 regulating microfinance activities in Burundi have been replaced by Law No. 1/17 of 22 August 2017 regulating the activities of banks and financial institutions with the exception of insurance establishments. The Law sets out the criteria to be fulfilled by institutions providing financial services; the organization and management of such institutions; their financial liability; the regulation, control, insolvency, dissolution and winding up of such institutions; and appeal procedures.

4.127. The minimum capital requirements are BIF 10 billion for banks and BIF 6 billion for other financial institutions. The other criteria for approval are set out in Articles 3 and 5 of Circular No. 20 of 17 August 2018 on the conditions for the approval of credit establishments and the representative offices of foreign credit establishments issued pursuant to the new banking law. These include in particular a letter of request addressed to the Governor of the Central Bank, a list of the directors and managers, and the information substantiating their good repute. For the purpose of opening a subsidiary, in addition to the elements set out in Articles 3 and 5 of the Circular, the subsidiaries must provide evidence of the consent of the banking supervisory authority in their country of origin.

4.128. According to the authorities, the BRB abides by the Basel Committee rules for determining the prudential rules for commercial banks. The current prudential management rules require the equity capital to be at least equal to the minimum regulatory capital; the solvency ratio to be at least 14.5%; a ratio of stable resources to fixed uses of at least 60%; and a liquidity ratio of at least 100%. Without the authorization of the BRB no bank or other financial institution may grant the same natural or legal person a loan or enter into any commitment in their favour for an amount greater than 20% of its equity capital. Access to foreign credit is subject to the approval of the BRB, which in taking its decision will take into account the nature of the loan, the sector concerned, and the viability of the project to be financed. The BRB does not impose any special conditions on foreigners wishing to obtain access to credit through Burundian institutions.

4.129. Although relatively small, the banking system largely dominates the financial sector, of which it accounts for about 75%. In 2014, the total assets of the ten banks that make up the sector amounted to some USD 824 million (30% of GDP).[13] There are several challenges confronting the development of banking. The relative inefficiency of macroeconomic policies is compounded by political instability and a business environment that discourage the development of a dynamic private sector. Furthermore, access to financial services is seriously limited: about 2% of the population have a bank account. Overall, current banking activities do not appear to be in line with the country's development objectives. Loans to the public sector are relatively large (more than 35% of total lending); and the sectoral distribution of loans granted is more favourable to services than to agriculture and manufacturing. Furthermore, lending consists largely of short-term loans, whereas productive investment is based on long-term lending. These inconsistencies may be explained by the existence of major risks that are not covered by appropriate insurance mechanisms.

4.130. In 2016, the BRB established a Technical Committee on Financial Stability (CTFS) and an Internal Financial Stability Committee (CISF). The latter is the decision-making body with respect to macro-prudential policy.

4.131. At the end of 2017, the three largest banks, namely, the Credit Bank of Bujumbura (BCB), the Commercial Bank of Burundi (BANCOBU) and Interbank Burundi (IBB), accounted for 63.7% of assets, 61.3% of loans and 64.7% of deposits. Banking operations are confined to the taking of deposits and the granting of very short-term loans to a very small client base: large companies, wholesale and retail traders, and coffee enterprises.[14]

4.132. Interest rates are market-driven and influenced by changes in the BRB base rate.

4.133. Microfinance accounted for 15.9% of total financial system assets in 2016, and the sector has great development potential. In 2012, the authorities established the "Policy and Strategy for the Microfinance Sector 2012-2016", primarily aimed at promoting the widening of accessibility and variety of products and services offered by microfinance institutions (MFIs); enhancing the professionalism of microfinance establishments; and strengthening the financial security and protection of users.

4.134. The resources of the MFIs are limited and they are unable to grant enough loans. To supplement these resources, they turn to banks which lend to them at high rates in relation to the interbank market. Under the Decree regulating microfinance activities in Burundi, MFIs have to constitute reserves of 20% of their net turnover, to be allocated to their equity capital without any limitation on the duration or amount.[15]

4.4.4.2 Insurance

4.135. Insurance activities are regulated by the Insurance Regulation and Control Agency, under the Ministry responsible for finance. Law No. 1/02 of 7 January 2014 establishing the Insurance Code sets out the conditions for the grant and withdrawal of licences for insurance establishments. Since 2014 a number of innovations have thus been made, including in particular the introduction

[13] The banking system consists of: The Commercial Bank of Burundi (BANCOBU); the Credit Bank of Bujumbura (BCB); the Burundian Trade and Investment Bank (BBCI); the Management and Finance Bank (BGF); ECOBANK; FINBANK; Interbank Burundi (IBB); DTBB; CRDB; and the Kenya Commercial Bank (KCB).

[14] IMF, Staff Report for the 2014 Article IV Consultation, Fifth Review Under the Three-Year Arrangement Under the Extended Credit Facility, IMF Report No. 14/293, July 2014.

[15] Bank of the Republic of Burundi (2016).

of six new types of compulsory insurance in addition to motor vehicle liability insurance, namely, insurance of imports; professional liability insurance for doctors; professional liability insurance for lawyers; liability insurance for operators of commercial property against fire or explosion; insurance of office buildings against fire or explosion; and construction risk insurance.

4.136. The new Law also establishes the obligation for insurers to provide for participation by the insured in the profits made in life insurance and capitalization; provisions on insurance intermediaries (brokers and general agents); prudential rules governing the activity of insurance establishments; and organization of the supervision of the activities of insurance establishments.

4.137. When approving an insurance company, the ARCA takes into account: the proposed technical and financial resources to be committed and their adequacy in relation to the establishment's programme of activities; the good repute and qualification of the persons responsible for the activities; the capital distribution; the establishment of internal control procedures and information technologies; and the general organization of the market. The decision to grant or refuse approval must be taken within three months of receipt by ARCA of the applicant's dossier.

4.138. Insurance companies cannot engage in both life insurance and non-life insurance activities at the same time. Non-life insurance companies must have equity capital of at least BIF 1 billion, not including contributions in kind, while companies engaged in life and capitalization activities must have an equity of BIF 500 million.

4.139. There are no special conditions imposed on foreigners wishing to access Burundian insurance services. Access by Burundians to foreign insurance services is subject to ARCA approval.

4.140. In 2017, Burundi had seven insurance companies with a penetration rate of less than 1%. Insurance activities consist primarily of non-life insurance products (roughly 67% of the total). Now that many insurance products have been made compulsory, the penetration rate should increase over the coming years.

4.141. Regulation No. 001 of 6 January 2017 on co-insurance in Burundi was adopted in 2017. It allows risk sharing among insurers, and helps to strengthen communication among companies and affords an overall view of risks that a single company could not cover alone. According to the authorities, this Regulation enables insurance companies to make foreign-exchange savings because the amounts to be ceded to reinsurers are small in the case of co-insurance.

5 APPENDIX TABLES

Table A1. 1 Structure des exports, including re-exports, 2012-2017

	2012	2013	2014	2015	2016	2017
Total exports (USD million)	244.8	216.4	155.5	125.6	123.2	141.7
	% of total					
Total primary products	45.9	31.7	60.4	66.7	69.4	64.6
Agriculture	38.0	26.4	56.4	63.2	64.0	58.6
Food	35.8	25.5	56.0	60.7	63.1	58.3
0711 – Coffee, not roasted, whether or not decaffeinated; coffee husks and skin	27.2	13.2	35.2	31.6	36.7	23.8
0741 – Tea	5.9	6.7	9.6	12.3	11.2	18.8
0461 – Wheat or meslin flour	0.0	1.3	3.4	5.1	4.6	5.5
1222 – Cigarettes containing tobacco	1.2	1.9	2.5	4.7	4.0	4.4
1123 – Beer made from malt (including ale, stout and porter)	1.1	1.3	3.8	5.2	4.4	4.3
Agricultural raw materials	2.2	0.9	0.4	2.5	0.9	0.3
Mining and quarrying	7.8	5.4	3.9	3.5	5.5	5.9
Ores and other minerals	7.6	5.2	3.1	3.0	3.6	5.8
2878 – Ores and concentrates of molybdenum, niobium, tantalum, titanium, vanadium and zirconium	0.0	1.3	2.0	2.0	2.1	4.7
2879 – Ores and concentrates of other non-ferrous base metals	7.0	1.8	0.3	0.2	0.8	0.9
Non-ferrous metals	0.0	0.1	0.1	0.2	0.1	0.0
Fuels	0.2	0.0	0.7	0.4	1.8	0.2
Manufactured products	10.6	12.1	23.4	21.4	18.2	9.4
Iron and steel	0.5	1.2	1.4	1.2	0.7	0.6
Chemicals	2.6	3.9	6.1	6.0	4.2	1.0
5541 – Soap; paper, wadding, etc., impregnated with soap or detergent	2.3	3.7	5.1	5.4	3.5	0.7
Other semi-finished products	2.2	2.0	6.2	6.4	4.1	3.0
6651 – Containers, of glass, of a kind used for the conveyance or packing of goods	1.2	0.4	2.7	3.5	3.1	2.5
Transport machinery and equipment	4.0	4.3	5.2	3.1	5.1	1.6
Power-generating machinery	0.1	0.5	0.0	0.2	0.1	0.1
Other non-electrical machinery	1.0	1.0	2.3	0.7	1.5	0.5
Agricultural machines and tractors	0.0	0.0	0.0	0.0	0.0	0.0
Office machines and telecommunications equipment	0.3	0.1	0.5	0.5	0.6	0.1
Other electrical machinery	0.1	0.3	0.2	0.3	0.5	0.2
Automotive products	2.1	1.7	2.1	1.3	2.3	0.5
Other transport equipment	0.4	0.8	0.1	0.2	0.3	0.2
Textiles	0.0	0.2	0.1	0.1	0.0	0.1
Clothing	0.0	0.0	0.0	0.0	0.0	0.0
Other consumer goods	1.3	0.5	4.4	4.6	4.0	3.1
8931 – Articles for the conveyance or packing of goods, of plastics	0.9	0.2	3.7	3.3	2.6	2.1
Other	43.5	56.1	16.2	11.9	12.4	26.0
9710 – Gold, non-monetary (excluding gold ores and concentrates)	43.4	55.4	16.2	11.9	12.4	26.0

Note: Based on SITC Rev.3 product classification.

Source: WTO Secretariat calculations based on data provided by the authorities; and data from the UNSD Comtrade database (SITC Rev.3).

Table A1. 2 Structure of imports 2012-2017

	2012	2013	2014	2015	2016	2017
Total imports (USD million)	798.3	645.8	802.4	730.1	628.3	725.2
	% of total					
Total primary products	36.6	25.8	37.6	30.9	36.7	41.7
Agriculture	16.3	18.2	15.1	13.7	18.4	21.2
Food	15.1	17.1	13.8	12.0	16.7	19.4
0612 – Other beet or cane sugar and chemically pure sucrose, in solid form	1.6	1.1	1.1	1.2	1.6	3.2
0422 – Rice, husked but not further prepared	1.0	1.9	0.8	0.8	0.9	3.0
0412 – Other wheat and meslin, unmilled	1.0	1.7	2.9	1.4	2.7	2.8
0449 – Other maize, unmilled	1.0	0.3	0.4	0.4	0.9	1.5
0482 – Malt, whether or not roasted (including malt flour)	1.7	1.7	1.4	1.4	1.4	1.2
0989 – Food preparations, n.e.s.	0.3	0.5	0.6	1.2	1.4	1.0
Agricultural raw materials	1.2	1.1	1.3	1.7	1.7	1.8
2690 – Worn clothing and other worn textile articles, rags	0.8	0.8	1.0	1.1	1.4	1.5
Mining and quarrying	20.3	7.5	22.5	17.2	18.2	20.5
Ores and other minerals	1.2	0.7	0.6	0.9	1.0	0.6
Non-ferrous metals	0.2	0.2	0.1	0.3	0.1	0.1
Fuels	18.9	6.6	21.7	16.0	17.1	19.8
334 – Petroleum oils and oils obtained from bituminous minerals (other than crude)	18.5	6.1	21.3	15.6	16.6	19.4
Manufactured products	62.9	73.8	62.4	68.5	63.2	57.3
Iron and steel	6.1	5.7	5.4	4.7	5.4	5.4
6741 – Flat-rolled products of iron or non-alloy steel, plated or coated with zinc	1.4	0.9	1.1	0.7	1.3	1.1
6762 – Bars and rods of iron and steel	0.0	1.2	0.9	0.7	0.7	1.1
Chemicals	13.4	18.7	15.7	15.6	17.9	16.8
5429 – Medicaments, n.e.s.	4.7	6.5	5.9	6.2	7.0	6.5
5629 – Fertilizers, n.e.s.	1.3	2.9	2.4	2.1	2.7	2.7
5416 – Glycosides	1.5	1.6	1.5	2.3	1.3	1.4
Other semi-manufactures	11.3	10.4	9.1	8.6	8.9	8.3
6612 – Portland cement, aluminous cements, slag cement, super sulphate cement and similar hydraulic cements, whether or not coloured	3.7	3.2	2.7	1.7	2.2	1.7
6255 – Other tyres	0.0	0.0	0.1	0.1	0.1	1.2
Machinery and transport equipment	22.6	27.5	22.2	29.1	19.4	14.9
Power-generating machinery	1.7	2.2	0.6	1.5	0.7	0.6
Other non-electrical machinery	5.8	7.3	4.2	9.0	3.9	2.6
Agricultural machines and tractors	0.2	0.3	0.2	0.4	0.2	0.1
Office machines and telecommunications equipment	3.6	4.3	4.7	8.4	5.3	2.7
Other electrical machines	4.1	3.1	4.4	2.4	2.4	2.0
Automotive products	6.1	9.6	6.9	6.4	5.8	6.0
7812 – Motor vehicles for the transport of persons, n.e.s.	2.4	4.9	3.5	3.2	3.2	3.6
7821 – Motor vehicles for the transport of goods	2.0	1.2	1.7	1.9	1.4	1.3
Other transport equipment	1.4	1.0	1.3	1.3	1.3	1.0
Textiles	1.5	3.0	2.3	1.2	1.4	3.3
Clothing	1.4	1.7	1.3	2.0	2.2	1.6
Other consumer goods	6.5	6.9	6.2	7.1	7.9	6.9
Other	0.5	0.4	0.1	0.7	0.1	1.1

Note: Based on SITC Rev.3 product classification.

Source: WTO Secretariat calculations based on data provided by the authorities; and data from the UNSD Comtrade database (SITC Rev.3).

Table A1. 3 Merchandise exports by destination, including re-exports, 2012-2017

	2012	2013	2014	2015	2016	2017
Total exports (USD million)	244.8	216.4	155.5	125.6	123.2	141.7
	% of total					
America	0.5	0.5	0.8	1.3	2.1	1.4
United States	0.2	0.4	0.5	1.1	1.9	1.2
Other countries of America	0.2	0.1	0.2	0.2	0.2	0.1
Europe	31.0	14.2	33.1	26.4	32.8	21.4
EU (28)	16.1	7.0	17.0	8.1	14.9	15.9
Germany	2.7	1.7	8.2	1.2	6.0	6.2
Belgium	4.1	2.1	4.2	3.9	5.9	5.4
United Kingdom	5.8	1.0	1.1	0.5	1.0	3.3
France	0.2	0.3	0.5	0.6	0.8	0.3
Romania	0.0	0.0	0.0	0.0	0.0	0.2
EFTA	14.6	7.1	16.1	18.2	17.9	5.5
Switzerland	14.5	7.1	15.9	18.1	17.8	5.5
Other countries of Europe	0.4	0.1	0.0	0.0	0.0	0.0
Commonwealth of Independent States (CIS)	0.2	0.1	0.0	0.0	0.0	0.1
Africa	19.1	24.5	42.7	49.6	47.2	33.5
Democratic Republic of the Congo	5.1	6.9	20.1	24.9	22.4	17.0
Egypt	0.0	0.0	0.0	0.0	0.0	4.6
Uganda	2.0	2.8	2.5	3.3	3.2	2.7
Kenya	6.6	6.3	9.3	11.9	11.7	2.5
Sudan	0.0	0.7	1.8	2.0	2.0	2.3
Rwanda	2.7	4.5	4.9	4.7	4.5	1.6
Tanzania	2.1	1.4	2.0	1.8	1.0	0.9
Zambia	0.0	1.6	0.2	0.2	0.6	0.7
Mauritius	0.0	0.0	0.1	0.3	0.4	0.4
Togo	0.0	0.0	0.0	0.0	0.0	0.2
Middle East	44.1	56.3	17.7	14.7	14.3	29.2
United Arab Emirates	43.1	55.5	16.7	12.5	13.0	27.1
Oman	1.0	0.8	1.0	2.2	1.3	2.1
Asia	5.1	4.4	5.8	7.9	3.5	14.4
China	0.7	0.5	1.6	1.6	0.9	1.6
Japan	0.2	0.1	0.2	0.3	0.1	0.1
Other countries of Asia	4.3	3.7	3.9	6.0	2.5	12.7
Pakistan	0.0	0.0	0.0	0.0	0.0	9.2
Singapore	1.2	2.2	2.7	4.2	1.7	3.2
Other	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum:						
East African Community[a]	13.5	15.0	18.6	21.8	20.5	7.7

a Including WTO Members of the EAC.

Source: WTO Secretariat calculations based on data provided by the authorities; and data from the UNSD Comtrade database.

Table A1. 4 Origin of imports, 2012-2017

	2012	2013	2014	2015	2016	2017
Total imports (USD million)	798.3	645.8	802.4	730.1	628.3	725.2
	% of total					
America	5.7	6.5	2.2	2.2	1.9	3.4
United States	4.2	6.0	1.3	1.5	1.5	2.5
Other countries of America	1.5	0.5	0.9	0.7	0.4	0.9
Europe	24.0	26.4	19.2	24.1	19.6	16.2
EU (28)	21.0	25.1	17.5	23.2	18.3	15.0
Belgium	9.8	9.6	6.6	7.0	4.5	3.9
France	3.6	3.4	3.6	3.4	4.4	3.7
Germany	1.9	3.4	1.7	3.1	2.0	1.9
Denmark	1.2	1.4	1.2	2.1	2.2	1.7
Netherlands	1.1	3.7	2.0	5.7	1.1	1.2
United Kingdom	1.2	1.0	0.7	0.8	2.4	0.7
Italy	1.2	2.0	1.1	0.7	1.0	0.7
EFTA	0.9	0.6	0.9	0.2	0.7	0.2
Other countries of Europe	2.1	0.8	0.8	0.7	0.6	1.0
Turkey	2.0	0.7	0.8	0.7	0.6	1.0
Commonwealth of Independent States (CIS)	0.9	2.0	2.8	1.0	1.0	1.8
Russian Federation	0.1	0.4	2.4	0.8	0.9	1.8
Africa	31.5	33.6	29.5	27.3	31.0	27.5
Tanzania	6.6	9.2	8.4	7.4	8.2	7.3
Kenya	5.8	8.4	6.8	6.6	7.6	5.5
Uganda	5.7	7.1	4.5	5.7	7.2	5.4
Zambia	4.4	1.9	1.2	1.0	2.6	4.1
Egypt	1.7	2.6	2.3	1.0	1.2	1.3
South Africa	4.0	1.6	4.0	3.3	1.2	1.0
Central African Republic	0.0	0.0	0.0	0.0	0.0	1.0
Rwanda	1.6	1.9	1.3	1.1	2.0	0.9
Middle East	15.1	7.7	15.5	10.9	10.0	16.5
Saudi Arabia, Kingdom of	10.2	2.8	9.6	5.3	2.9	9.1
United Arab Emirates	3.6	4.4	5.5	5.4	6.8	7.2
Asia	22.8	23.7	30.8	34.5	36.6	34.5
China	9.8	9.8	12.8	13.6	16.6	13.8
Japan	2.9	2.7	3.3	2.9	3.2	3.5
Other countries of Asia	10.2	11.3	14.7	18.0	16.8	17.2
India	8.2	8.9	10.5	10.2	14.1	14.2
Other	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum:						
East African Community[a]	19.9	26.6	21.0	20.7	25.0	19.1

a Including WTO Members of the EAC.

Source: WTO Secretariat calculations based on data provided by the authorities; and data from the UNSD Comtrade database.