

IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



Burundi Profile



New bicycle ambulances that allow a patient to be transported by foot-power is a practical method to provide medical services in difficult to reach areas from urban slums without proper roads to remote villages.





Image courtesy of PWRDF



BURUNDI



OVERVIEW ANALYSIS

The underlying factors are in place for a violent turn of events. The capture of government institutions by the ruling party allowed President Pierre Nkurunziza to execute a constitutional coup d'état. The political opposition has been repressed, and about 600,000 Burundians who fled fears of genocide remain in refugee camps in neighbouring countries. Burundi advanced two positions in the ACBR 2019, from 46th place with a score of 36.84 in ACBR 2017 to 44th place made possible by a score of 39.32. Sturdier Business, Economics and Society scores account for the improvement. However, statistically, Burundi is among Africa's lowest 10% of countries. Political tensions have been managed by government through repression. This is not normal but rather a respite from the earlier violence of the Nkurunziza government.

KEY OPPORTUNITIES

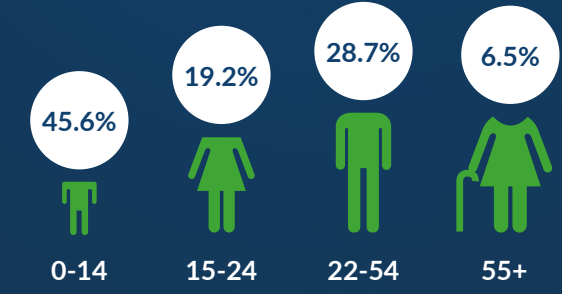
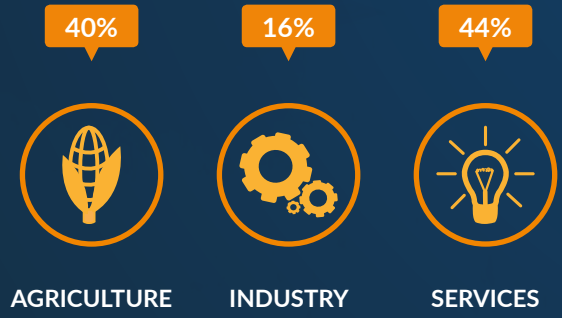
- Coffee and tea are established exports
- Trade links exist with Central African nations
- Social services, particularly education and healthcare, require large-scale refurbishments

KEY CONCERNS

- The country's landlocked position limits export industries
- A lawless dictatorial government is only prevented from committing genocide by a United Nations (UN) presence
- A refugee crisis has and will continue to distort society until resolved

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION Christianity	PREDOMINANT LANGUAGE Kirundi	POPULATION WITHOUT ELECTRICITY 92.4% (#54) ▼ ¹	LITERACY RATE 85.6% (#10) =	PRIMARY ELECTRICITY SOURCE Hydroelectric
IMPORT/EXPORT Chemical Products/Gold	EXTERNAL DEBT US\$ 0.691 billion (#49) ▼ ²	ACTIVE CONFLICT No	LAND SIZE 27,830 km ² (#44)	INTERNET PENETRATION 5.2% (#46) ▼ ²



Term:
26/08/2005 - present
7 years (2 term limit)

Political Party:
National Council for the Defense of Democracy

Recent Electoral Information:
21/07/2015
1 961 510 Votes
69.4%
Voter turnout: 73.44%



President
Pierre Nkurunziza

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

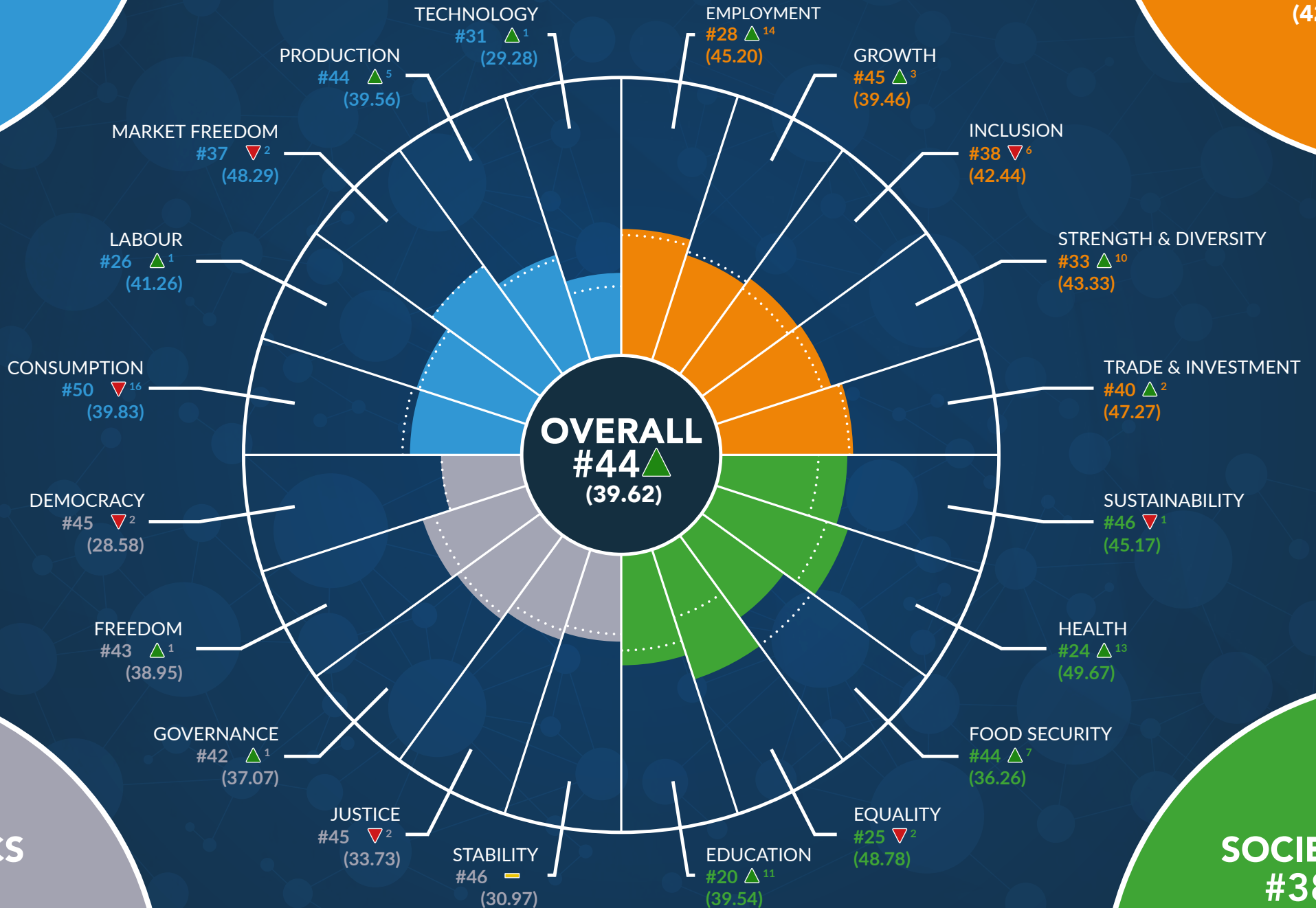
BUSINESS

#41
(39.71)

ECONOMICS

#37
(42.09)

BURUNDI PERFORMANCE OVERVIEW



POLITICS

#45
(33.86)

SOCIETY

#38
(42.83)

▲ Increase from 2017

▼ Decrease from 2017

■ No change

..... 2017 Score

BURUNDI BUSINESS ANALYSIS



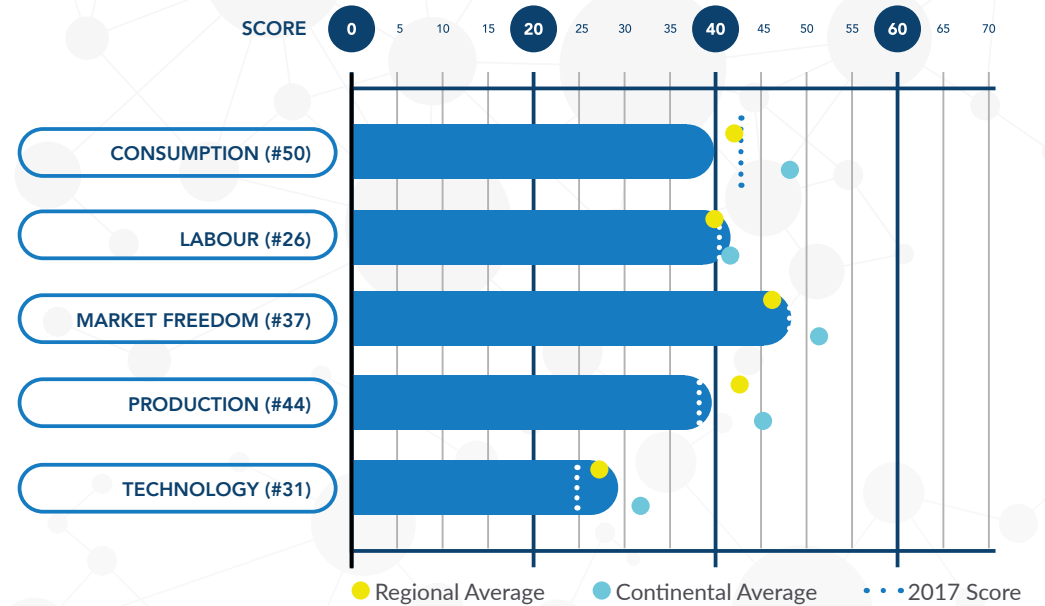
BUSINESS OVERVIEW

Any investor must view profitability as a long-term venture, with the country's political crises showing no signs of resolution. Should democracy return to Burundi, economic policies would likely favour investors. Although Burundi is short on natural resources, their own domestic market is in need of servicing. The agricultural sector can be profitable and become an export engine. Because of good rains and favourable climate, some soils allow crops to grow twice a year. Of Burundi's land, three-quarters is suitable for agriculture, which is a very high percentage for any African country. Some land productivity is being undermined by poor subsistence agricultural practices. Again, this sector needs a long-term approach by investors.

For the immediate term, businesses must cope with corruption that is the hallmark of any autocratic government. The energy sector also presents long-term profitability. Nearly all of Burundi's electricity is generated through hydroelectric plants. The electricity infrastructure is in need of expansion, and more hydrogenating capacity will mean energy for export.

Burundi dropped three rankings in the Business quadrant, from 38th to 41st, despite a score of 39.71 that is nearly a point higher than the previous period of review. This drop signals a poorer performance relative to other ranked countries. Overall, Burundi has descended to the bottom five of Africa's business environments.

BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY

	REGIONAL AVERAGE 70.97%	AFRICAN AVERAGE 77.78%	CONTINENTAL RANK #26
<p>Burundi data availability 87.91%</p>	<p>The current score for business data availability in Burundi stands at 87.91%, thus ranking 26th continentally. This compares favourably with both the regional average for Eastern Africa, which currently stands at 70.97%, as well as the continental average of 77.78%. Due to ongoing political instability and repressive governance, many have been plunged into the informal economy, thus limiting the total extent of coverage. Apart from international sources, Burundi has a dedicated online business data portal.</p>		

BUSINESS STATISTICS

% POPULATION IN URBAN CENTRES 13% (#54)	LABOUR FORCE IN MILLIONS 5 million (#29)	INDUSTRIAL PRODUCTION GROWTH -5% (#53)	PRIME LENDING RATE 7.11% (#45)
% ADULTS WITH A BANK ACCOUNT 42.78% (#17)	ANNUAL AIR PASSENGERS N/A (#N/A)	MOBILE SUBSCRIPTIONS 50.91 per 100 (#41)	NATIONAL 3G COVERAGE 40% (#38)

BURUNDI ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

Coffee and tea contribute 90% to Burundi's export earnings. While 90% of the workforce is engaged in agriculture, this represents the sector's potential rather than current output. Currently, the output is geared towards subsistence farming rather than products for export.

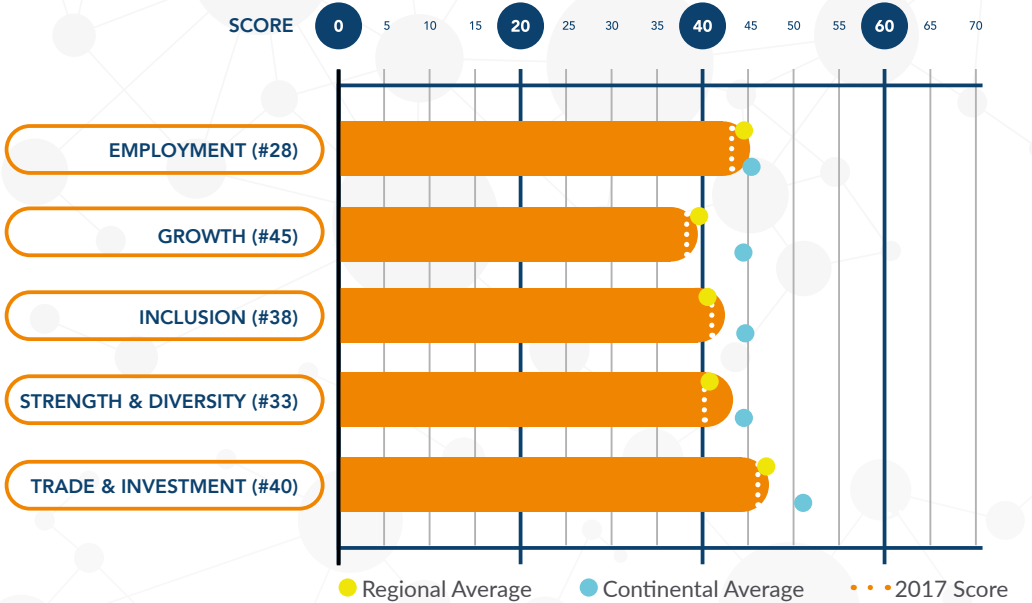
Because the country's poverty limits taxation revenue from individuals, Burundi's government has relied on foreign aid for years to meet basic budgetary needs. Sometimes, the support from bilateral partners and international organisations has been required to meet nearly half of government's budget. This aid dependency may have the beneficial effect of curbing government's more aggressive tendencies that worry the international community.

Among the 500,000 Burundians who are refugees from the country, many will never return. Their exodus has permanently deprived the economy of their skills, leaving a disruptive workforce.. Despite these on the ground developments, Burundi's Economics quadrant position of 37th sees the country's most robust quadrant performance in ACBR 2019. A score of 42.09 allowed Burundi to rise four positions from 41st in 2017, when a score of 41.72 was achieved. This improvement can be attributable to government's efforts to normalise national life, which has resulted in less reported bloodshed. Some new economic activity has returned to the country, and Burundi now seeks to join the SADC regional body.

ECONOMIC DATA COMMENTARY

<p>Burundi data availability 85.47%</p>	<p>REGIONAL AVERAGE 69.37%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #28</p>
	<p>As with the previous quadrant, Burundi has a dedicated online economic data portal sponsored by the African Development Bank. Furthermore, international multilateral institutions such as the World Bank and International Labour Organization also serve as extensive data repositories. The current score for economic data availability in Burundi is 85.47%, thus ranking 28th continentally. This compares favourably with the respective regional and continental averages of 69.37% and 77.78%.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 800 (#51)</p>	<p>UNEMPLOYMENT RATE</p> <p>1.6% (#3)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>AFTZ, COMESA, EAC, ECCAS</p>	<p>INFLATION RATE</p> <p>18% (#48)</p>
<p>GDP AT PPP</p> <p>US\$ 8 billion (#44)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 0.08 billion (#38)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 0.05 million (#53)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-4.2% (#26)</p>

BURUNDI POLITICAL ANALYSIS

#45

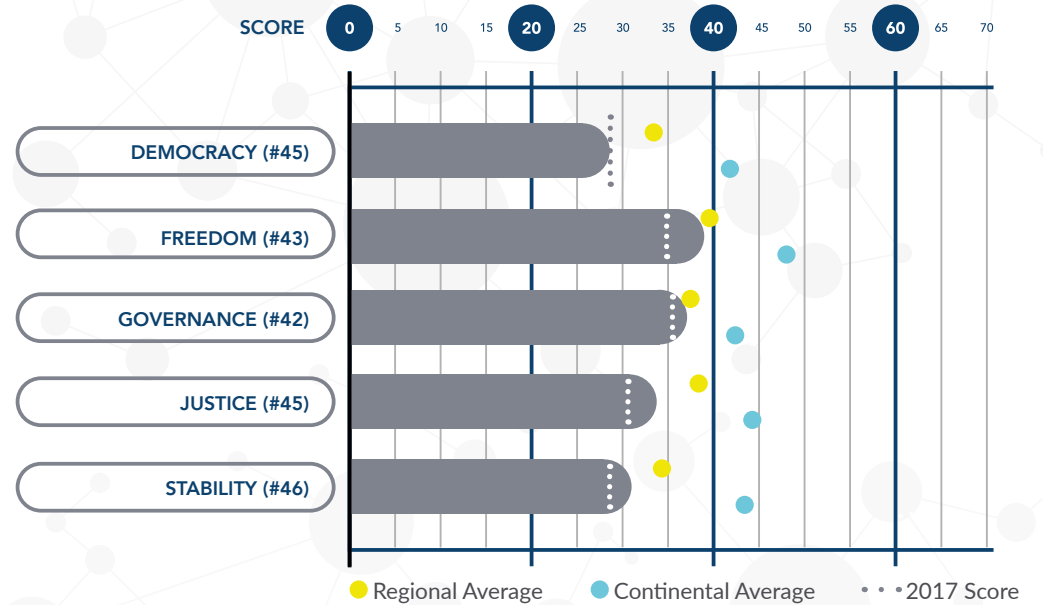
POLITICAL OVERVIEW

Burundi ranks 18th in the category of Africa's biggest spenders on their military. While capital punishment has been abolished, state executions carried out by government-supported hit squads have been documented by human rights observers. Although the past year has been characterised by relative calm in government-sponsored violence, the country's democratic institutions continued to decline in ACBR 2019.

East African leaders have come to accept the governance of Nkurunziza, and no international intervention will happen beyond the continuing deployment of UN observers. Despite Nkurunziza's objections to their presence in the country, the observers act as a deterrent, through

their presence, to the government's human rights abuses. Nkurunziza's takeover of government is four-years-old, but remnants of the political opposition exist. The Independents of Hope party holds 21 parliamentary seats to 77 held by the ruling party, the National Council for the Defense of Democracy - Forces for the Defense of Democracy (CNDD-FDD). The Independents of Hope party and their members living in exile are at the forefront of keeping attention on government. Burundi's ranking in the Politics quadrant of ACBR 2019 remains unchanged from the previous period of review. The country stands at 45th, in the lowest 10% of Politics rankings across the continent, with a score of 33.86. This score rose slightly from 31.58 recorded in 2017.

POLITICAL SCORES & RANKINGS



POLITICAL DATA COMMENTARY

<p>Burundi data availability 81.56%</p>	REGIONAL AVERAGE 74.88%	AFRICAN AVERAGE 82.86%	CONTINENTAL RANK #31
	<p>Similar to the business and economic quadrants, the current score for political data availability in Burundi stands at 81.56%, thus ranking 31st continentally. This compares favourably with the regional average for Eastern Africa, which currently stands at 74.88%, but lags just beneath the continental average of 82.86%. Despite the repressive governance taking place under president Nkurunziza, there remain numerous independent organizations dedicated to political data collection.</p>		

POLITICAL STATISTICS

NUMBER OF POLITICAL PARTIES <p>7 (#37)</p>	MILITARY EXP AS % OF GDP <p>1.8% (#18)</p>	REFUGEE INFLOW <p>71,055 (#17)</p>	NUMBER OF RIGHTS <p>55 (#21)</p>
DATE OF INDEPENDENCE <p>07/01/1962</p>	NET OFFICIAL DEVELOPMENT ASSISTANCE <p>US\$ 742 million (#23)</p>	WOMEN IN PARLIAMENT <p>36.4% (#8)</p>	CAPITAL PUNISHMENT <p>Abolished</p>

BURUNDI SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

An explanation is required for Burundi's sometimes impressive gains relative to other less-conflicted African countries in the Society quadrant segments. Burundi rose by 11 positions in Education and by 13 in Health. While their position dropped by two places in Equality and by one in Sustainability, Burundi rose past seven other countries in Food Security.

This performance suggests a recovering country that is growing their social services. In actuality, Burundi's ruling government has lessened the degree of violence against opponents to allow a degree of normal activity in some places. The country's humanitarian crisis, like their fiscal crisis, is being managed in large part by outside intervention. Such interventions

are showing results but, as suggested by the Sustainability segment, cannot be permanent.

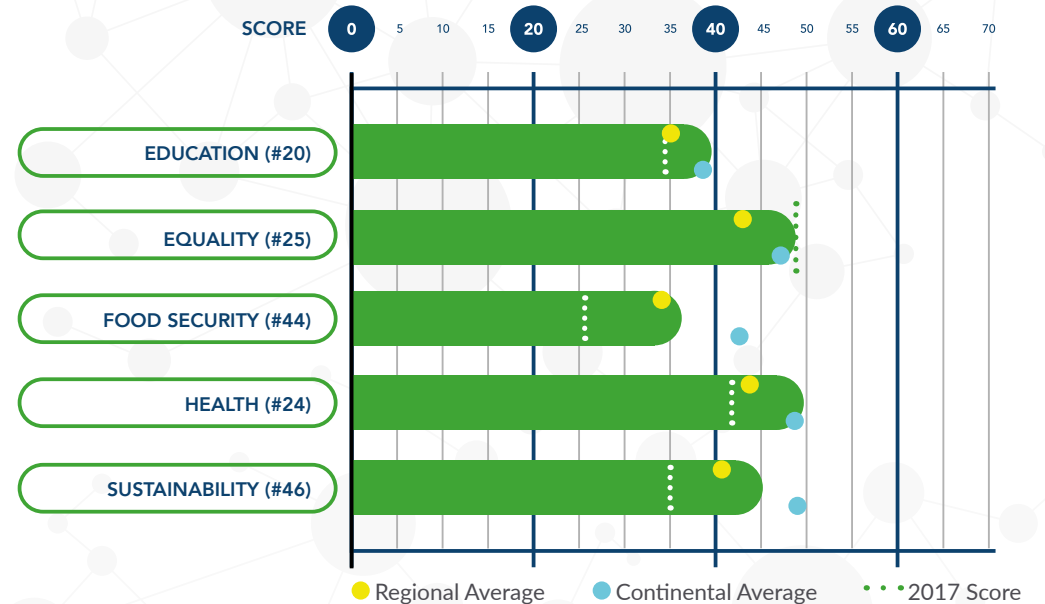
Access to clean drinking water and communications is poor. Burundians wanting to be employed in the formal sector may need to establish good relations with the ruling CNDD-FDD party. The massive refugee outflow of Burundians fleeing the Nkurunziza government has affected all aspects of society.

Although the ongoing political crisis has engendered societal maladies from the refugee crisis to the establishment of a police state, Burundi's greatest improvement in ACBR 2019 is in the Society quadrant.

SOCIETAL DATA COMMENTARY

<p>Burundi data availability 77.55%</p>	<p>REGIONAL AVERAGE 63.78%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #32</p>
	<p>Of all quadrants, societal data availability achieves the lowest score for Burundi, with a current score of 77.55% and a continental rank of 32nd. Despite being the lowest, this nonetheless compares favourably with the respective regional and continental averages of 63.78% and 75.28%. With local NGOs and international multilateral institutions such as the UN currently providing the best coverage, further improvement in societal data collection remains severely hampered by demographic dislocations.</p>		

SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>11,466,756 at 3.25% p.a (#28) (#4)</p>	<p>LIFE EXPECTANCY</p> <p>60.9 years (#32)</p>	<p>HIV PREVALENCE</p> <p>1.1% (#32)</p>	<p>SEXUALITY TOLERANCE</p> <p>Illegal</p>
<p>ACCESS TO DRINKING WATER</p> <p>75.9% (#30)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>8.24% (#8)</p>	<p>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</p> <p>45.43% (#20)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>4% (#44)</p>

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