

BURUNDI



RUBEYA & CO - ADVOCATES

Firm Information

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Country Information

Burundi occupies an area of 27,830 square kilometers and is a landlocked central Africa country bordering the Democratic Republic of the Congo, Rwanda and Tanzania. It straddles the crest of the Nile-Congo River watershed. The farthest headwaters of the Nile, the Ruvyironza River, has its source in Burundi.

Latest GDP Figures

Year	%Change	Rank	%Change	Year
2003	2.10 %	125		2002 est.
2004	-1.30 %	200	-161.90 %	2003 est.
2005	3.00 %	142	-330.77 %	2004 est.
2006	1.10 %	191	-63.33 %	2005 est.
2007	3.80 %	136	245.45 %	2006 est.
2008	3.60 %	143	-5.26 %	2007 est.
2009	4.50 %	95	25.00 %	2008 est.
2010	3.50 %	53	-22.22 %	2009 est.
2010	3.50 %	53	-22.22 %	2009 est.

Inflation Rate (consumer prices)

Year	%Change	Rank	%Change	Year
2003	12.00 %	27		2002 est.
2004	10.70 %	36	-10.83 %	2003 est.
2005	8.50 %	180	-20.56 %	2004 est.
2006	16.00 %	216	88.24 %	2005 est.
2007	11.00 %	194	-31.25 %	2006 est.
2008	8.30 %	174	-24.55 %	2007 est.
2009	24.10 %	210	190.36 %	2008 est.
2010	11.10 %	198	-53.94 %	2009 est.

Foreign Exchange Reserves

Reserves of foreign exchange and gold

Year	Reserves	Rank	%Change	Year
2004	\$67,400,000	143		2003
2005	\$76,890,000	143	14.08 %	2004 est.
2006	\$105,000,000	143	36.56 %	2005 est.
2007	\$87,690,000	145	-16.49 %	2006 est.
2008	\$177,100,000	145	101.96 %	2007 est.
2009	\$266,700,000	141	50.59 %	2008 est.
2010	\$323,000,000	144	21.11 %	2009 est.

Investment Climate

The Government's official policy is to promote foreign direct investment (FDI). The legal system upholds the sanctity of contracts, and specific provisions within the Civil and Commerce Code have been adopted to provide substantial incentives for FDI. These are a Code of Commerce, an investment code to encourage foreign investment and laws intended to create a free trade economic zone. There is no discrimination between local and foreign investors, and, in contrast to many countries in the region, there are no limits on foreign ownership or control of businesses.

Formation of a Company

This involves six steps:

1. Establishment and signing of the memorandum of articles of association.
2. Authentication of the memorandum by the notary.
3. The deposit of shares in cash in an account opened at a bank or financial institution.
4. Registration in the Commercial register.
5. Publication of the memorandum in the Official Bulletin of Burundi or in a newspaper authorized to receive legal notices.
6. Grant of a tax identification number.

Exchange Control

The liberalization of the exchange control system, which was conducted by the Central Bank until 1992, started in May 1992 and was completed in December 2006.

The Central Bank is responsible for holding and managing foreign exchange reserves and has the power to buy or sell gold and enact regulations on foreign currency transactions. Access to credit depends on the bank or financial institution. With the liberalization of exchange control, banks are now free to fix interest rates. But, generally, debit and credit interest rates vary between 18 and 20%.

Tax rates

Companies: 15%

VAT: 18%

Judicial Environment

Civil Law System. The judiciary is relatively weak and affected by a certain level of corruption.

Membership of International & Regional Organisations

Burundi is a member of the African Union (AU), World Bank, International Monetary Fund (IMF), International Labour Organisation (ILO), East African Community (EAC) and the Economic Community of the Great Lakes Countries (CEPGL).



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Climate

Burundi in general has a tropical highland climate. The central plateau enjoys an average temperature of 20 °C (68 °F). The area around Lake Tanganyika is warmer, averaging 23 °C (73.4 °F); the highest mountain areas are cooler, averaging 16 °C (60.8 °F). Rain is irregular, falling most heavily in the northwest. Dry seasons vary in length, and there are sometimes long periods of drought. However, four seasons can be distinguished: the long dry season (June–August), the short wet season (September–November), the short dry season (December–January), and the long wet season (February–May). Most of Burundi receives between 1,300 and 1,600 mm (51.2 and 63.0 in) of rainfall a year. The Ruzizi Plain and the northeast receives between 750 and 1,000 mm (29.5 and 39.4 in).

Terrain and land use

Burundi is hilly and mountainous, dropping to a plateau in the east. The southern and eastern plains have been categorised by the World Wildlife Fund as part of the Central Zambebian Miombo woodlands ecoregion.

The lowest point in the country is at Lake Tanganyika, at 772 m, with the highest point being on Mount Heha, at 2,684 m. Flooding and landslides are common problems.

There is also arable land and the potential for hydropower.

The table below describes land use in Burundi.

Land use

Use	Percentage of Area
arable land	35.57
permanent crops	13.12
Other	51.31

140 km² is irrigated and (using 2008 figures) 10.41% of the territory is urban. Burundi has reserves of nickel, uranium, rare earth oxides, peat, cobalt, copper, platinum (not yet exploited) and vanadium.

Environmental issues

Soil erosion is an issue for Burundi, and results from overgrazing and the expansion of agriculture into marginal lands. Other issues include deforestation (due to the uncontrolled cutting-down of trees for fuel) and habitat loss threatening wildlife populations. Burundi is party to various international agreements relating to Biodiversity, Climate Change, Desertification, Endangered Species, Hazardous Wastes and Ozone Layer Protection.



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