THE WAVERLEY SERIES

BURUNDI

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

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BURUNDI — AT A GLANCE

Capital	Gitega (political); Bujumbura (economic)
Population	≈ 13–14 million
Real GDP growth	4.0–4.6% (2025, sources vary); projected at 4.3% for 2026 and 4.6% for 2027 (African Development Bank)
GDP per capita	≈ USD 618 (nominal, 2026) — among the lowest in the world
Inflation	34% (2025), among the world's highest, driven largely by monetary financing of the budget deficit; projected to ease to 22.1% in 2026 and 13.7% in 2027
Fiscal deficit	Projected to narrow to 3.6% of GDP in 2026 and 3.1% in 2027
Current account deficit	Projected to improve to 6.3% of GDP in 2026 and 5.4% in 2027, supported by gold and coffee export growth
Currency	Burundian franc (BIF), with a widening gap between the official exchange rate and the parallel market rate
Key exports	Gold, coffee, tea
Principal partners	East African Community members, China, Russia (nuclear-cooperation memorandum); development partners including the African Development Bank and World Bank; reduced US aid
Governing framework	Ruling CNDD-FDD party, dominant since 2005; East African Community member; President Évariste Ndayishimiye currently serves as African Union Chairperson (since February 2026)

Burundi remains one of the world's poorest and most economically fragile nations, enduring a fuel shortage now approaching five years alongside inflation that, while easing, remained among the world's highest in 2025. Set against this, the government continues pursuing genuine infrastructure investment, including an African Development Bank-financed railway line to Tanzania and new hydroelectric capacity, and President Évariste Ndayishimiye currently holds the African Union's rotating chairmanship. June 2025 parliamentary and local elections saw the ruling CNDD-FDD win every National Assembly seat, extending two decades of single-party dominance, while Burundian forces remain engaged alongside the Congolese government in the conflict in eastern DRC. Investors should approach Burundi as a genuinely high-risk, low-capacity frontier market requiring patient capital and realistic expectations about currency and fuel-supply constraints.

1. INVESTMENT & FDI

AfDB-mobilised railway financing represents the clearest concrete investment story even as underdeveloped capital markets and currency distortions constrain broader inflows.

The Tanzania-Burundi railway line, financed through funds the African Development Bank raised from institutional investors, development finance institutions and commercial banks, stands as Burundi's most significant current infrastructure investment. More broadly, the country's financial system remains insufficiently robust and integrated to support development ambitions at scale: banks account for 80% of the financial sector, and while the Burundi Stock Exchange has officially begun operations, it remains a young and limited institution relative to regional peers.

- **Railway financing as a genuine multilateral achievement:** the AfDB's success in mobilising institutional investors, DFIs and commercial banks behind the Tanzania-Burundi railway demonstrates that well-structured, multilaterally-backed infrastructure finance can still reach Burundi despite its broader investment-climate constraints.
- **A shallow financial sector:** banks accounting for 80% of the financial sector, alongside a still-nascent stock exchange, means most Burundian and foreign capital seeking domestic investment vehicles has limited depth and instrument choice to work with.
- **Currency distortion as a direct investment constraint:** the widening gap between Burundi's official and parallel-market exchange rates creates genuine uncertainty for any investor needing to repatriate profits or price contracts in hard currency.

2. TRADE & BUSINESS

Gold and coffee exports provide a genuine external buffer even as a severe, prolonged fuel shortage disrupts ordinary commerce.

Elevated gold and critical mineral prices are providing Burundi with a genuine export buffer, and the current account deficit is projected to improve to 6.3% of GDP in 2026 and 5.4% in 2027 on the back of continued gold and coffee export growth. Set against this trade-side improvement: by October 2025, Burundi had faced a severe fuel shortage for nearly five years, accompanied by widespread power outages and drinking-water scarcity that have disrupted daily life in Bujumbura, Gitega and other urban centres, forcing some media outlets to suspend broadcasts and leaving small traders unable to keep goods refrigerated or equipment running.

- **Gold and coffee as genuine export strengths:** sustained gold and coffee export growth is the primary factor behind the projected improvement in Burundi's current account position through 2027, providing a rare bright spot in an otherwise constrained trade picture.
- **A prolonged, economy-wide fuel crisis:** the nearly five-year fuel shortage, with accompanying power and water disruptions, represents a basic operating-environment constraint affecting virtually every sector of the Burundian economy, from schools and hospitals to small traders and media companies.
- **A widening formal-informal exchange rate gap:** the growing divergence between official and parallel-market exchange rates reflects genuine currency-market stress that complicates trade financing and import costs across the economy.

3. MAJOR ECONOMIC DEVELOPMENTS

Growth continues at a modest pace even as inflation remains severe and single-party political dominance was reinforced in 2025 elections.

Burundi's economy grew an estimated 4.0-4.6% in 2025 depending on the source, with growth projected at 4.3% for 2026 and 4.6% for 2027, driven by agriculture, mining, electricity generation, construction and public investment. Inflation, however, reached 34% in 2025, among the highest rates globally, driven substantially by monetary financing of the budget deficit; it is projected to ease to 22.1% in 2026 and 13.7% in 2027 as deficit monetisation is reduced. In June 2025, parliamentary and local elections saw the ruling CNDD-FDD win every seat in the National Assembly with 97% of the vote, as no opposition party crossed the 2% electoral threshold, extending two decades of single-party dominance; women's representation nonetheless increased significantly, reaching 39% of National Assembly seats and 46% of Senate seats.

- **Severe but easing inflation:** the projected decline from 34% in 2025 to 13.7% by 2027 would represent genuine progress, though the starting point reflects a currency and fiscal environment under significant strain, driven substantially by the government financing its deficit through money creation.
- **Comprehensive ruling-party dominance:** the CNDD-FDD's sweep of every National Assembly seat in June 2025, with no opposition party reaching the 2% threshold, reflects an electoral environment independent human-rights observers describe as marked by significant restrictions on opposition parties; independent human-rights organisations have remained banned since 2016, with most activists operating in exile.
- **A notable diplomatic position:** President Ndayishimiye's current tenure as African Union Chairperson, assumed in February 2026, provides Burundi with a level of continental diplomatic visibility that stands in some contrast to its domestic governance environment and economic constraints.
- **Continued regional military engagement:** Burundian forces remain engaged in eastern DRC alongside the Congolese government amid the broader regional conflict involving Rwanda-linked forces, while separately confronting a Burundian opposition group based across the border; disrupted cross-border trade with neighbouring countries has directly compounded fuel and commodity shortages in border areas.

4. MAJOR PROJECTS & INFRASTRUCTURE

The Tanzania-Burundi railway and new hydroelectric capacity represent the country's most significant infrastructure developments.

- **Tanzania-Burundi railway:** AfDB-mobilised financing from institutional investors, development finance institutions and commercial banks underpins this flagship connectivity project, expected to meaningfully improve Burundi's landlocked trade logistics once completed.
- **New hydroelectric capacity:** the commissioning of new hydroelectric power stations has already improved electricity access and directly supported non-agricultural growth, with further dam construction and electrification planned through 2026.
- **Infrastructure as the primary growth driver ahead:** official economic projections identify continued investment, particularly in transport and electrification, as the principal driver expected to sustain Burundi's growth trajectory into 2026 and beyond.

5. CONFERENCES, FORUMS & EXHIBITIONS

Burundian business leaders engaged directly in regional investment-promotion consultations ahead of a major Nairobi forum this month.

- **East Africa CEO & Investment Forum 2026:** held in Nairobi on 17-18 September, the forum brought together regional businesses, investors and policymakers, with Burundian participation shaped by pre-forum consultations held on 6 September between the East African Business Council and the Federal Burundi Chamber of Commerce and Industry.
- **Priority sectors identified:** Burundian business representatives specifically flagged agriculture and agro-processing, livestock, mining, energy, infrastructure, tourism, ICT, manufacturing and services as sectors carrying significant investment potential ahead of the forum.

6. BUSINESS & INVESTMENT EVENTS

Pre-forum consultations reflect a genuine, if modest, effort to give Burundi's private sector a voice in regional investment planning.

- **EABC-CFCIB consultation meeting:** at the 6 September meeting, Burundi's Permanent Secretary in the Ministry of Foreign Affairs, Regional Integration and Development Cooperation, Severin Mbarubukeye, reaffirmed government commitment to strengthening public-private dialogue and removing trade barriers, explicitly describing the private sector as central to the country's economic policymaking process.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Burundi's African Union chairmanship and regional security engagement coexist with a foreign-aid relationship strained by Western withdrawal.

- **African Union chairmanship:** President Ndayishimiye's rotating chairmanship, assumed in February 2026, provides Burundi with a genuine, high-profile diplomatic platform on the continental stage.
- **Russia:** a memorandum on nuclear cooperation signed with Russia reflects Burundi's pursuit of diversified international partnerships beyond its traditional Western and regional relationships.
- **Reduced US aid:** the withdrawal of US assistance has directly compounded Burundi's fiscal and currency pressures, reducing one of the government's traditional sources of external support.
- **African Development Bank:** the Bank's success in mobilising institutional and commercial financing for the Tanzania-Burundi railway represents the clearest current example of multilateral development finance translating into concrete Burundian infrastructure.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A young, developing stock exchange and nascent private financial sector remain constrained by an underdeveloped, bank-dominated system.

Independent investment-promotion literature specifically cites Burundi's coffee and tea industries, alongside renewable energy projects in solar and hydroelectric power, as sectors that have already produced genuine private-sector success stories. The broader private financial ecosystem nonetheless remains constrained: with banks holding 80% of financial-sector assets and the Burundi Stock Exchange still in an early stage of development, smaller Burundian enterprises have limited formal channels for raising capital domestically.

- **Coffee, tea and renewable energy success stories:** sustained growth in coffee and tea, alongside successful solar and hydroelectric projects, demonstrate that well-targeted private investment can succeed in Burundi despite the broader macroeconomic constraints described elsewhere in this briefing.
- **Limited domestic capital-raising channels:** the still-developing Burundi Stock Exchange and bank-dominated financial sector mean most smaller enterprises depend heavily on informal financing or donor-linked programmes rather than formal domestic capital markets.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Mining, renewable energy and agro-processing represent the sectors most consistently identified for new investment.

- **Mining:** Burundi's mineral resources, including gold, remain significantly underexploited relative to their potential, representing a genuine if operationally challenging opportunity for exploration and development capital.
- **Renewable energy:** building on already-successful solar and hydroelectric projects, continued dam construction and electrification investment planned through 2026 offer concrete near-term opportunities in power generation.
- **Agro-processing:** available arable land and Burundi's established coffee and tea export base together support genuine potential for value-addition investment beyond raw commodity export.
- **Tourism:** Burundi's natural beauty and cultural heritage remain largely untapped for international tourism, representing a longer-horizon opportunity contingent on broader stability and infrastructure improvement.

SUMMARY ASSESSMENT

Burundi remains one of the world's poorest nations, contending with a fuel shortage now approaching five years, inflation that reached 34% in 2025, and a governing party that now holds every seat in the National Assembly following elections widely characterised as non-competitive. These are not minor operating headwinds; they represent fundamental constraints on the country's near-term investment case.

Set against this, genuine economic activity continues: gold and coffee exports are improving the current account position, the African Development Bank has successfully mobilised institutional financing for a flagship railway connecting Burundi to Tanzania, new hydroelectric capacity is coming online, and the country's president currently holds the African Union's chairmanship, a notable diplomatic position. Continued Burundian military engagement in the eastern DRC conflict, alongside tensions with Rwanda, adds a further layer of regional security risk that compounds the country's severe domestic economic constraints.

For investors, Burundi should be approached as a genuinely high-risk, low-capacity frontier market where any engagement requires patient capital, realistic expectations about currency and fuel-supply volatility, and close attention to both the fragile domestic political environment and the trajectory of the wider Great Lakes regional conflict. The clearest near-term opportunities remain concentrated in gold, coffee, renewable energy and infrastructure projects backed by multilateral development finance rather than in broader, unconditional market entry.