

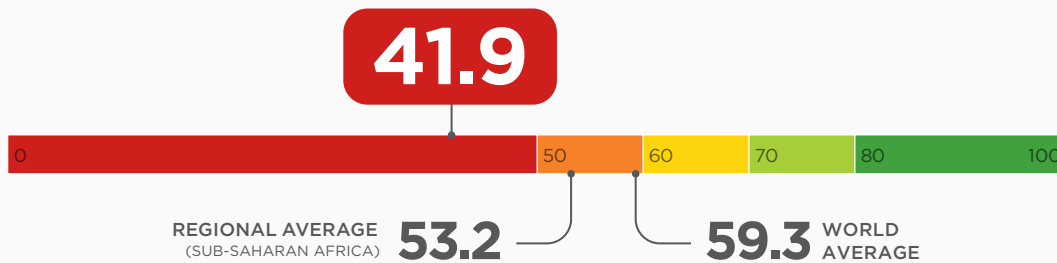
BURUNDI



Burundi's economic freedom score is 41.9, making its economy the 170th freest in the 2023 *Index*. Its score is 2.5 points better than last year. Burundi is ranked 44th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

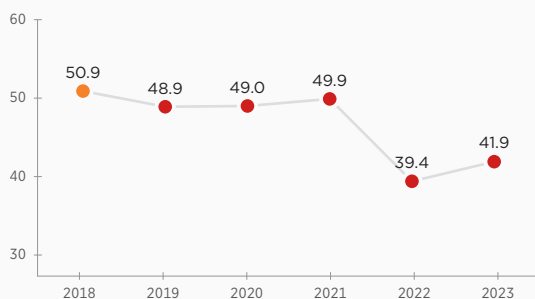
Continuing its status as a “repressed” economy, Burundi performs below world averages in many of the 10 economic freedoms. Very low scores for property rights and corruption, which undermines the rule of law, reflect foundations of economic freedom that are fragile. Many aspects of the entrepreneurial framework are subject to intrusive state interference.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): -3.5

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
12.3 million

GDP (PPP):
\$9.8 billion
2.4% growth in 2021
5-year compound annual growth 1.3%
\$800 per capita

UNEMPLOYMENT:
1.6%

INFLATION (CPI):
8.3%

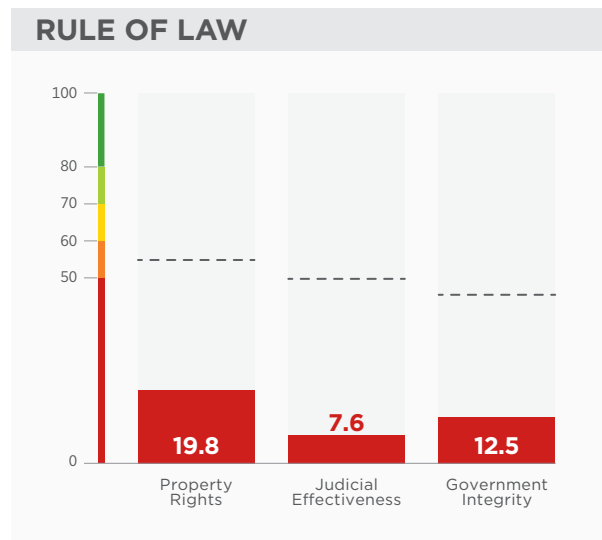
FDI INFLOW:
\$7.9 million

PUBLIC DEBT:
66.6% of GDP

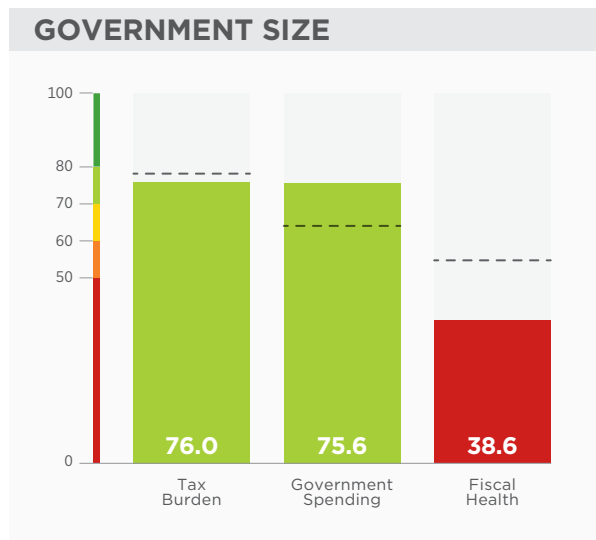
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Burundi gained independence from Belgium in 1962, and its first democratically elected president was assassinated in 1993. Ignoring the two-term constitutional limit, President Pierre Nkurunziza won a third term in 2015, and hundreds of Burundians died in the ensuing unrest. The government used violence and intimidation to win a 2018 referendum that further centralized presidential power. In 2020, Nkurunziza's hand-picked successor, Evariste Ndayishimiye, won elections that the opposition denounced as fraudulent. He was sworn in two months early after Nkurunziza died of COVID-19. Subsistence agriculture dominates the economy, and well over half of the population lives below the poverty line.

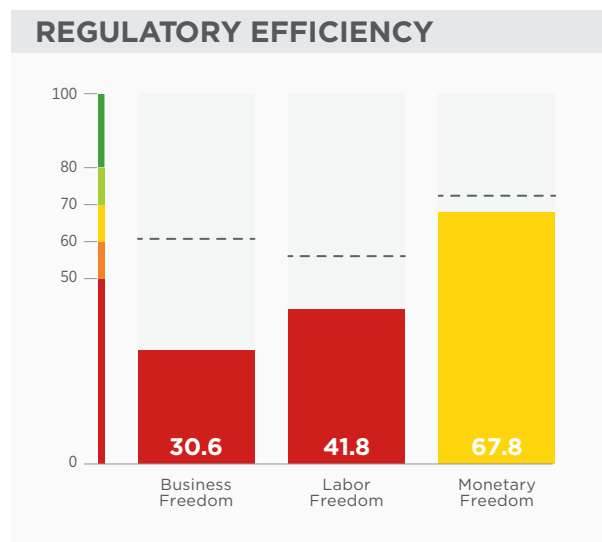
12 ECONOMIC FREEDOMS | BURUNDI



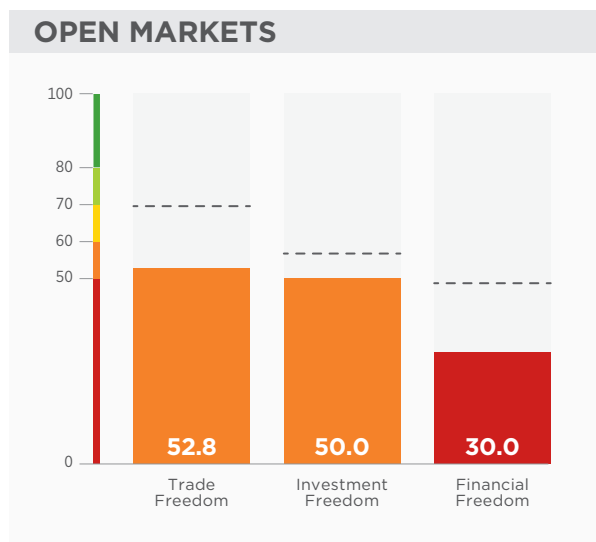
The overall rule of law is weak in Burundi. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 30 percent. The tax burden equals 16.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.5 percent and -5.7 percent of GDP. Public debt equals 66.6 percent of GDP.



Burundi faces an uphill battle to improve its business environment as it copes with numerous institutional challenges. Skilled labor is scarce, and formal employment is not widespread. Labor statistics are not tracked well. The most recent available inflation rate is 8.3 percent.



The trade-weighted average tariff rate is 13.6 percent, and nontariff measures are in force. Bureaucratic barriers interfere with foreign and domestic investment. The financial system remains underdeveloped. Banks have increased their domestic assets, but overall access to credit remains limited.