Burkina Faso is the fourth largest country in the Economic Community of West African States (ECOWAS). The country is a natural transit hub for West Africa and its central location positions it as a hub of regional corridors. Its well-developed road-rail connectivity has put it logistically close to European markets.

Burkina Faso is Africa's largest producer of cotton and second largest producer of biotech crops. In 2011, it became the 4th largest producer of gold in Africa.

With strong growth in the mining industry, the economy is gradually becoming structured around the secondary sector, which was estimated to have had a 27% share of nominal gross domestic product (GDP) in 2011, versus 23% in 2010.

Minerals mined in Burkina Faso, apart from gold, are mainly copper, iron, manganese, limestone, marble, tin ore and phosphates.

Burkina Faso shares a common currency, the CFA franc, and a common central bank, the Central Bank of West African States (BCEAO), with seven other members of the West African Monetary Union.

Burkina Faso is a member of Africa Union (AU), ECOWAS, La Francophonie, Western African Economic and Monetary Union (WAEMU) and so on.

Source: Council for the Promotion of Investment (CPI), Burkina Faso

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<th>Key facts and economic indicators</th>
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Languages: French (official), Moore  
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Currency: West African CFA franc (XOF)  
GDP (2012 est.): $24.03 billion  
Inflation rate (2012 est.): 4.5%  
GDP (Real growth rate, 2012 est.): 7%  
Gross fixed investment (2012 est.): 20.5% of GDP  
Total exports (2012 est.): $2.73 billion  
Total imports (2012 est.): $2.87 billion |

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| • Mr. Blaise Compaore is currently serving as the President of Burkina Faso. He has been serving office since 1987.  
  • The current constitution was formally adopted 11 June 1991 and was last amended January 2002  
| Provinces: Burkina Faso is divided into thirteen regions, forty-five provinces, and 301 departments.  
Legal system: Burkinabe legal system is broadly associated with the civil code based on the French model and customary law. |

Business scenario

Between 2000 and 2010, Burkina Faso maintained an average growth rate of over five percent per annum. The International Monetary Fund (IMF) estimates the annual growth rate for 2012 at seven percent following contracted growth of 4.2% in 2011.

Burkina Faso is an agrarian economy, employing around 90% of the labour force. Major export commodity of the primary sector is cotton. Other agricultural products include peanuts, sesame, millet, corn, rice.

After agriculture, handicrafts is the second major source of income to the population. Mining has rapidly risen in recent times to become one of the most important sources of export receipts, especially gold mining.

The primary and tertiary sectors still dominated the economy with their respective shares of GDP at 35% and 38% in 2011. Agriculture, as well as livestock, forestry and fishing have remained the most important sub-sectors (35% of GDP), followed by trade, transport and communications (18%), and mining (13%).

Several steps have been taken by the Government to promote investments this sector. These include but are not restricted to establishment of industrial growth and competitiveness centres, establishment and servicing of new industrial zones in the towns and on the sites of the growth and competitiveness centres, development of industrial nurseries and clusters, incentives for industrial investments.

Burkina Faso’s infrastructure indicators look relatively good when compared to other low income countries (LICs) in Africa. Over the years, the concentration of FDI in the telecommunications sector has encouraged the development of both reliable as well as competitive mobile and internet services in the region.

The country currently ranks 150 in the ‘Ease of Doing Business’ index in 2012. The country was one of the top performers according to the 2009 index.

Recent times have seen a sharp increase in FDI in the mining sector, not just in prospection and exploration but recently in exploitation as well. This sector has a great potential for prospective investors given proven deposits of minerals in the country.

Gold, zinc, manganese and uranium are mined in Burkina Faso and have recently attracted significant interest. Burkina Faso is regarded as the country with the greatest untested mining potential in West Africa.

France and Morocco emerge as the leading foreign investors in Burkina Faso in terms of FDI inflow and FDI Stock respectively.

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Bulk of the Moroccan investment is in the telecommunication service industry.

**Key industries:** cotton lint, beverages, agricultural processing, soap, cigarettes, textiles, gold

**Exports:** $2.73 billion (2012 est.); **Key export commodities:** cotton, livestock, gold; **Key export destinations:** China (21%), Turkey (16.9%), Singapore (8.4%), Indonesia (6.6%), Thailand (4.9%), Malaysia (4.3%)

**Imports:** $2.87 billion (2012 est.); **Key import commodities:** capital goods, foodstuffs, petroleum and petroleum products; **Key import partners:** Cote d'Ivoire (16.7%), France (15.2%), Ghana (5.0%), Togo (4.7%), Belgium (4.2%)

**Initiatives to foster investment & trade**

- The Government of Burkina Faso plans to reorganize the business township in downtown Ouagadougou by developing a Zone of Commercial & Administrative Activities (ZACA) over an area of 46 hectares, with an investment of $50 million.
- The Government of Burkina Faso adopted a rural land management law in 2009. The new law provides for equitable access to rural lands to promote agriculture productivity, manage natural resources, encourage investment and reduce poverty.
- Burkina Faso's Investment Code guarantees foreign investors the right to the overseas transfer of any funds associated with an investment, including dividends, receipts from liquidation, assets and salaries. Such transfers are authorized in the original currency of the investment.
- The Government of Burkina Faso established a specialized agency named Presidential Council for Investment, to boost investment in the country.

Source: Investments in Burkina, Government of Burkina Faso

### Tax structure overview

- The government of Burkina Faso is in the process to increase revenue collection through expansion of direct and indirect taxes. The planned streamline process will focus on key areas that include property tax and tax on industrial and commercial gain.
- In view of increasing tax revenue, the Government of Burkina Faso also plans to increase the corporate tax receipts, increase excise tax rate on the alcoholic beverages (other than beer) from 25% to 30%.
- The plans to increase royalties on turnover from 3% to 5% are also underway.

<table>
<thead>
<tr>
<th>Tax</th>
<th>Rates (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate tax</td>
<td>30</td>
</tr>
<tr>
<td>Capital Gains tax</td>
<td>10</td>
</tr>
<tr>
<td>Withholding tax (Dividends)</td>
<td>12.5</td>
</tr>
<tr>
<td>Personal tax</td>
<td>2-30</td>
</tr>
</tbody>
</table>

Source: The 2012 worldwide corporate tax guide

### Burkina Faso-India: Partners in progress

<table>
<thead>
<tr>
<th>Bilateral agreements and LoCs</th>
<th>Indian cos. doing business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Important bilateral treaties and agreements are:</strong></td>
<td></td>
</tr>
<tr>
<td>– India-Burkina Faso Joint Commission (1994)</td>
<td>• Alok Industries Limited</td>
</tr>
<tr>
<td>– MoU on Bilateral Trade and Economic Co-operation</td>
<td>• Mohan Exports</td>
</tr>
<tr>
<td>India has rendered technical assistance to Burkina Faso in its human resource development through Indian Technical</td>
<td>• Bharti Airtel</td>
</tr>
<tr>
<td>and Economic Cooperation (ITEC) and Special Commonwealth African Assistance Plan (SCAAAP). Burkina Faso has been</td>
<td>• Angelique International Ltd.</td>
</tr>
<tr>
<td>allotted 45 ITEC slots for FY 2011-12.</td>
<td></td>
</tr>
<tr>
<td>Two professionals were trained under the India-Africa Forum Summit (IAFS) scheme. India has offered to set up two</td>
<td></td>
</tr>
<tr>
<td>projects viz., Vocational Training Centre / Incubation Centre (VTC/IC) and Vocational Training Centre of Barefoot</td>
<td></td>
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<tr>
<td>College in Burkina Faso under IAFS.</td>
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<tr>
<td>Government of India extended a Line of Credit (LoC) of US$ 30.97 million under the TEAM-9 initiative for</td>
<td></td>
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<tr>
<td>agricultural and construction/ equipping the national post office in Burkina Faso.</td>
<td></td>
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<tr>
<td>Through the Export Import (EXIM) Bank of India, a US$ 25 million LoC was granted to the Government of Burkina Faso</td>
<td></td>
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<tr>
<td>for rural electrification.</td>
<td></td>
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<tr>
<td>In 2010, a US$ 15.4 million LoC was also approved to develop a Tomato Processing Factory in Burkina Faso.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ministry of External Affairs, Gov

### Bilateral trade (2010-11)

<table>
<thead>
<tr>
<th>Major exports to Burkina Faso</th>
<th>Major imports from Burkina Faso</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pharmaceutical products</td>
<td>• Cotton</td>
</tr>
<tr>
<td>• Vehicles other than railway and tramway</td>
<td>• Iron &amp; steel</td>
</tr>
<tr>
<td>• Rubber and articles thereof</td>
<td>• Wood and articles of wood</td>
</tr>
<tr>
<td>• Iron and steel and articles thereof</td>
<td>• Raw hides and skins</td>
</tr>
<tr>
<td>• Machinery and mechanical appliances</td>
<td>• Leather</td>
</tr>
</tbody>
</table>

### Potential sectors for investments

<table>
<thead>
<tr>
<th>Opportunities</th>
</tr>
</thead>
</table>

### Information and Communication Technology
- The project is designed to encourage and support private sector investment using catalytic financing and PPP arrangements to minimize public investment.
- Private investors can play a part in the following areas:
  - Networking of the national territory (backbone) through optical fiber
  - Building of regional (backbone)
  - Development of WiFi services, WIMAX, and CDMA
  - Development of electronic cash

### Real estate
- With a large and rapidly growing public sector, the national policy aims at converting towns into economic growth and development centres and ensuring access to lodging. Opportunities include:
  - Construction of housing as part of the council houses programme
  - Building construction as part of the specific real estate projects related to the servicing of urban lands and the construction of housing estates;
  - Development of economic growth centres in towns through the establishment of commercial activity zones, zones for various activities and industrial zones.

### Energy
- There exists opportunities in building solar power plants in the Koudougou region for the production of electricity for telecommunication plants.
- There are good opportunities for setting up gas-based power plants in Burkina Faso.
- Other opportunities include: building of solar power plants with a high production capacity, building of thermal power plants, construction of hydro-electric structures

### Mining and minerals
- Opportunities Irrespective of existing mines or mines under construction, there are minerals in many other non-exploited mines with manganese, zinc, copper, limestone, phosphate and bauxite. Because of this sector liberalisation, these mines can be exploited by the private sector.
- In the past five years, six new gold mines have come into production in Burkina Faso, highlighting the opportunity for Indian companies. The overall mining production expected from existing deposits is at least 260 tonnes of metal gold.
- So far, there is a majority of Canadian companies in mining sector.

### Manufacturing
- Several steps have been taken to promote the sector apart from disengagement of the state. These opportunities include:
  - Setting-up of milk processing plants
  - Setting-up of meat processing plants
  - Development of plants of animal feed concentrate for livestock or poultry
  - Building of refrigerating slaughterhouses
  - Setting-up of leather items manufacturing plants
  - Establishment of produce processing plants: crops, fruits, vegetables and oil crop
  - Setting-up of textile industries (cotton fibre processing plants).

### Agriculture (including machinery and farm equipments)
Burkina Faso offers several opportunities in agriculture to investors. These can be briefly summarized as follows:
- Cotton: production, genetically modified varieties, ginning, processing, textile production and other value added processes
- Commercial farming: various crops like rice, white beans, cotton, sheanut, oilseeds like sesame, peanuts and cashew, other fruits and vegetables, supply of high yielding variety of seeds,
- Processing: all processes like storage, packaging and so on
- Livestock: meat production and processing, production of improved seeds in the field of forage crops, installation of artificial insemination centers, establishment of modern infrastructure (laboratories and equipment control quality etc.)
- Dairy production and products, installation of modern processing units
- Handicrafts: construction of a new craft village in Bobo Dioulasso, extension of the craft village Ouagadougou
- The country’s provides massive scope in the transport sector, for maintaining the existing assets and improving logistics demand.
- The country aspires to build a good international road network, with a performing international transit system which enables Burkina Faso to be a hub for UEMOA and ECOWAS states.
- Railway linking Abidjan-Bobo-Ouaga-Kaya covering 1 200 km is also envisaged.
- There is a need to reduce cost of electricity by developing the power trade and improving the operational efficiency of the national power utility.
- There are opportunities for the construction of Ouagadougou new airport (Donsin) and Bobo-Dioulasso, administration of the airport activities by private investors, including various service deliveries (handling, parking, catering and security).