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## INVEST

### FOREIGN DIRECT INVESTMENT

According to the [World Investment Report 2023](#) published by UNCTAD, FDI inflows into Burkina Faso totaled USD 121 million in 2022, after negative net FDI inflows of USD -80 million one year earlier. The total stock of FDI stood at USD 2.44 billion, around 12.5% of the country's GDP. The mining sector attracts most of the investments: over the past decade, the gold mining industry has experienced a significant boom, attracting substantial foreign investment, particularly from firms based in Canada, Australia, the United Kingdom, South Africa, and Russia, and the exploration of new deposits has been increasing (the country's soils contain gold as well as zinc and manganese). In addition to the mining sector, Moroccan, French, and UAE companies have established control over local subsidiaries in the telecommunications industry. Moreover, foreign investors are actively involved in sectors such as banking and financial technology, agriculture, transport and logistics, and energy. The government is interested in exploring areas that are potentially suitable for oil extraction. After the Houndé and Netiana mines, the country is looking to exploit the Tambao deposit (worth USD 1 billion, currently the largest in the world reserve of manganese, with an estimated 55 million tons), which may bring in significant foreign investment.

Burkina Faso actively encourages foreign investment to foster its development, having established legal and regulatory structures to ensure fair treatment of foreign investors, including mechanisms for commercial dispute resolution and streamlined permit issuance and company registration processes. However, there's a need for further progress to enhance competition, particularly in sectors dominated by state-owned enterprises, and to enforce intellectual property rights. Burkina Faso, a member of the Organization for the Harmonization of Corporate Law in Africa (OHCLA), applies all uniform acts enacted by the organization. Post the January 24, 2022 coup, Transition Authorities engaged with the private sector to address concerns and ensure non-discriminatory treatment of foreign investors as stipulated in Article 8 of the investment code. While lacking a formal procedure to scrutinize foreign direct investment, the country grants rights to both local and foreign entities, including access to property, permits, and participation in government procurement. Notably, the Investment Code outlines a specialized tax and customs regime for investment agreements signed by the state with major investors. However, its lack of access to the sea and agricultural resources, and its industrial sector is weak. The business climate is still poor compared to international standards. Political instability, as well as insecurity and violence linked to the jihadi insurgency are negatively affecting the business climate. Burkina Faso ranks 124th among the 132 economies on the [Global Innovation Index 2023](#) and 134th out of 184 countries on the latest [Index of Economic Freedom](#).

Foreign Direct Investment	2020	2021	2022
<b>FDI Inward Flow</b> <i>(million USD)</i>	-102	-80	121
<b>FDI Stock</b> <i>(million USD)</i>	2,750	2,462	2,441
<b>Number of Greenfield Investments*</b>	5	4	2
<b>Value of Greenfield Investments (million USD)</b>	342	90	89

Source: UNCTAD - Latest available data.

*Note: \* Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

Country Comparison For the Protection of Investors	Burkina Faso	Sub-Saharan Africa	United States	Germany
<b>Index of Transaction Transparency*</b>	7.0	5.5	7.0	5.0
<b>Index of Manager's Responsibility**</b>	1.0	3.5	9.0	5.0
<b>Index of Shareholders' Power***</b>	5.0	5.5	9.0	5.0

*Source: Doing Business - Latest available data.*

*Note: \*The Greater the Index, the More Transparent the Conditions of Transactions. \*\*The Greater the Index, the More the Manager is Personally Responsible. \*\*\* The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.*

## WHAT TO CONSIDER IF YOU INVEST IN BURKINA FASO

### Strong Points

The strong points of the Burkinabé economy include:

- Burkina Faso is a member of the West African Economic and Monetary Union which ensures the stability of the CFA franc (freely exchangeable to EUR at a fixed rate)
- the country's legal, regulatory, and accounting systems are transparent and consistent with international norms
- Africa's leading cotton producer
- gold exporting country (Africa's 5th largest producer)
- low unemployment rate (4.94% in 2020 according to the World Bank), abundant labour force and young population
- the country is supported by the international financial community (as shown by the fact that Burkina Faso was one of the first countries to have benefited from the HIPC initiative)
- the country benefits from political and institutional stability
- the country'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.

### Weak Points

The main challenges for foreign investors include:

- the strong influence of state-owned firms in certain sectors
- weak intellectual property protections
- dangerous safety conditions, with terrorist attacks (especially in the North)
- the country's economy is highly exposed to weather events
- the informal sector still has a strong influence on the economy
- Burkina Faso is vulnerable to movements in cotton and gold prices
- the country is heavily dependent on foreign aid

- weak infrastructures
- Burkina Faso is landlocked
- deficits of the current and fiscal accounts
- demographic pressures, high poverty rate, very weak human development index

### **Government Measures to Motivate or Restrict FDI**

The government of Burkina Faso is actively seeking to promote foreign investments. Some of the measures taken include tax breaks and incentives to lure in foreign investors. There are also exemptions from value-added tax on certain equipment; special tax and customs regime for investment agreements signed by the state with big investors; the creation of a deposit institution that provides financing for small and medium-sized enterprises, public-private partnerships, and real estate investments thanks to the adoption of the government's "general investment guidelines", the creation of enterprise registration centres called Centres de Formalités des Entreprises (CEFOREs), whose purpose is to make registration of companies simpler.

## **INVESTMENT OPPORTUNITIES**

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### **Tenders, Projects and Public Procurement**

[Tenders Info](#)  
[Global Tenders](#)  
[Africa Gateway](#)  
[DgMarket](#)

### **Finding Assistance For Further Information**

#### **Investment Aid Agency**

[Burkina Faso Investment Promotion Agency \(Agence de Promotion des Investissements du Burkina Faso - API-BF\)](#)

#### **Other Useful Resources**

[Investment opportunities in Burkina Faso - Official government publication \(in french\)](#)  
[Chamber of Commerce and Industry of Burkina Faso](#)

#### **Doing Business Guides**

[Doing Business Guide Burkina Faso - World Bank](#)