

Burundi continues to face the challenge of creating a free economy and taking advantage of the economic benefits currently enjoyed by other East African Community (EAC) partner States like Kenya. The country, which is perceived as the poorest country in the East African region, is affected by government policies that restrict trade through price controls and strict protection of local productions. An [article](#) published on Burundi Eco (in French) argues that Burundi should learn from Kenya's experience.

Kenya abandoned the practice of price controls in the 1990s in favour of economic liberalisation, but in 2011, the country adopted the [Price Control \(essential goods\) Act](#), that gives the government the power to determine the maximum prices of basic commodities in consultation with the industry. However, the Burundi Eco article notes that price controls in Kenya led to severe shortages of basic commodities, arguing that contrary to the belief that price controls and protection of local productions benefit consumers, this practice often works against the market forces of supply and demand. Moreover, apart from being a [Non-Tariff Barrier](#), price controls policies in most cases need to be supplemented by government subsidies to compensate producers, or there will be a risk that producers will abandon their productions because they cannot afford to sell products at a loss.

Burundi government is reaching out to foreign investors willing to explore the Burundian market and is considering a revision of the existing policies that offer tax credit to local and foreign investors. This, hopefully, will lead to increased job creation and a gradual decrease in the cost of living in the country.