

A Practical Guide to Doing
Business in

COMOROS



INVESTOR'S GUIDE TO
COMOROS



PREFACE

This guide was prepared and financed by the COMESA Regional Investment Agency with the inputs of Comoros National Investment Promotion Agency (ANPI). The investor guide contains an overview of doing business in Union of the Comoros. It aims to help both current and potential investors with facts on investing in the country. The guide contains information on the investment climate, taxation regime (income tax, value added tax, double taxation agreements and other significant taxation issues), investment incentives, exchange control regimes, sector overviews and other information pertinent to investing in Union of the Comoros.



INVESTOR'S GUIDE TO COMOROS

In the preparation of this guide, every effort has been made to offer current, correct and clearly expressed information. However, the information in the text is intended as a general guideline only. This publication is shared with the understanding that COMESA RIA is not responsible for the result of any actions taken on the basis of information in this publication, nor for any errors or omissions contained herein.

Comoros



CONTENTS

1. GENERAL COUNTRY INFORMATION	08
2. LEGAL AND JUDICIAL SYSTEM.....	10
3. NATURAL RESOURCES AND GEOGRAPHY	12
4. ECONOMY	18
5. POPULATION AND DEMOGRAPHICS.....	25
6. EDUCATION AND HUMAN RESOURCE.....	27
7. LICENSING AND PERMITS.....	31
8. LEGAL FRAMEWORK FOR INVESTMENT	33
9. MARKET ACCESS AND INTERNATIONAL MEMBERSHIPS.....	38
10. INFRASTRUCTURE AND UTILITIES.....	42
11. BANKING AND FINANCIAL SERVICES.....	48
12. SECTORS AND OPPORTUNITIES	52
13. QUALITY OF LIFE	58

1

GENERAL COUNTRY INFORMATION



"Mosque of Iconi"

1. GENERAL COUNTRY INFORMATION

The Union of the Comoros is an archipelago in the Indian Ocean located about 320 kms north-east of Mozambique and 480 kms west of Madagascar. The country is made up of four islands: Grande Comore (Ngazidja), Anjouan (Nzuwani), Mohéli (Mwali) and Mayotte (Maoré).

	Union of the Comoros
Political system	Republic
Area	2,236km ²
Population	889,000 inhabitants
Official languages	Comorian, Arabic, French, (Shikomori, derived from Swahili)
Religions	Islam 98%; other religions 2%
Time zone	GMT +3 hours
Climate	Tropical with a hot and rainy season from December to April
GDP per capita	USD 833
Main exports	Ylang-ylang, Vanilla, Cloves
Currency unit	Comorian Franc (KMF)
Exchange rate	1 Euro = KMF 492
Capital	Moroni (Grande Comore): 111,329 inhabitants
Main towns	Mutsamudu (Anjouan): 39,710 inhabitants Fomboni (Mohéli): 19,582 inhabitants

The word Comoros originates from the Arabic word Qamar meaning moon. The Comoros Islands are known in Arabic as 'Juzur Al Qumur', meaning 'islands of the moon'. The Comoros gained independence from France on 6 July 1975. It subsequently experienced a period of coups d'états and attempts at secession, which lasted until 2001. That year, a new constitution was adopted, establishing the Union of the Comoros.

In May 2009, the Comorian people voted to amend the constitution and further streamline the political structure of the Union. The new constitution enabled the election of a president and vice-president for each of the islands that would rotate every four years, and a parliament and government with a five-year term. On 30 July 2018, the Comorians voted for a constitutional amendment that removed term limits for the president and the requirement for power to rotate between the three islands.

Exclusive competence over issues such as nationality, external relations, monetary affairs, national defence and foreign investment is reserved for the President of the Union, while each island is otherwise able to administer and manage its own local affairs and run its own budgets.

The Union of the Comoros is a member of various international and regional organisations, including the United Nations, the African Union, the Arab League, the Indian Ocean Commission, the Organisation of the Islamic Conference, the Common Market for Eastern and Southern Africa, the Southern African Development Community and the International Organisation of La Francophonie. The Union of the Comoros receives support from the European Development Fund, the World Bank, the International Monetary Fund, the African Development Bank and the Islamic Development Bank. The country is also a member of the Monetary Union of the Franc Zone.

The Union of the Comoros is considered crime free, according to travel advisories from the British Foreign and Commonwealth Office.

2

LEGAL AND JUDICIAL SYSTEM



2. LEGAL AND JUDICIAL SYSTEM

The Supreme Court

According to the Constitution of the Union of the Comoros 2001, amended in 2018, the Supreme Court decides on the constitutionality of the laws of the country. It ensures the conformity of electoral processes at the state and island level, including those for referendums, and adjudicates on electoral disputes. It also advocates for fundamental human rights and civil liberties.

Legislative power

Legislative power is exercised by the National Assembly, which consists of 24 deputies elected for a five-year term by direct universal suffrage. Legislative authority is vested in the President of the Union and the Members of the Assembly. Ordinary laws are adopted by a simple majority, while organic and financial laws require a two-thirds majority.

Judiciary

The judicial system is a mix of Islamic law and customary law and the inherited French Legal Code. The judiciary is independent of the executive and legislative branches of government. Organic law No. 05-016/AU on the organisation of the judiciary of the Union and islands, adopted on 20 December 2005, organizes the Comorian judicial system as follows:

- The Supreme Court
- Courts of Appeal
- Assize Courts
- Courts of First Instance
- Cadi Courts
- Labour Courts
- Commercial Courts
- Administrative Courts
- Juvenile Courts

In 2017, Law No. 17-007/AU established the Commercial Court. This court is characterised by the relative speed of its proceedings, with rulings on cases typically handed down within a maximum period of four months.

The Executive Branch

Presidency of the Union rotates between the islands. Each Island, through the elected candidate, assumes the presidency of the Union for a 5-year term which can be renewed once.

The president of an island may not serve more than two consecutive terms. The President of the Union is elected by direct universal suffrage through a two-round majority.

The islands are autonomous in many areas of governance and administration and are each managed by a Governor and an Advisory Council. The island governors are elected by universal suffrage and they appoint councillors and oversee the administration of a number of exclusive spheres of competence. The islands have legal status.

3

NATURAL RESOURCES AND GEOGRAPHY



Vanilla is the second most exported product in Comoros.

3. NATURAL RESOURCES AND GEOGRAPHY

Geography

The Union of the Comoros is a group of islands in Southern Africa located north-east of Madagascar, at the entrance to the Mozambique Channel. The archipelago consists of four islands: Grande Comore (Ngazidja), Anjouan (Ndzouani), Mohéli (Mwali) and Mayotte (Maoré). Its unique geographical position between East Africa, Madagascar and other Indian Ocean islands makes Comoros a unique hub for business and trade.

Geology

The Union of the Comoros is relatively rich in minerals. Exploration is under way that may lead to mining opportunities in the country.

Biodiversity

The biodiversity of the Union of the Comoros is considered to be of worldwide significance. The nation's forests represent one of the world's 200 most important biomes. Its coastal ecosystems (nearly 820 species of marine fish and pelagic species, more than 24 species of reptiles, 17 species of mammals and 98 species of birds) are classified as one of the 43 priority marine regions in the world due to their biological specificity. Biodiversity provides people with the basic elements for their existence: food, energy, shelter, oxygen, water, fibre, fuel and medicinal products, jobs, cosmetics, furniture, fishing boats, nets and handicrafts.

During a virtual meeting held on 27 and 28 October 2020, the International Co-ordinating Council of the Man and the Biosphere (ICC-MAB) Programme of UNESCO designated Mohéli Island as a Biosphere Reserve.

Hydrology and Water

The Comoros has managed to generate a variety of uses for its water resources, including fishing and hydropower. Given its rich marine biodiversity, it is clear that the country has much to offer in terms of water use. The fishing industry one of the main contributors to the economy.

Fishing takes place in Comoros in a maritime area of more than 160,000 km² with a continental shelf covering 900 km² and a coastline stretching over 427 km. The fishing industry's share of gross domestic product (GDP) is estimated at 6.7%. Due to the volcanic origin of the archipelago, the continental shelf is very narrow, especially in Grande Comore and Anjouan. The country's fishing potential is estimated at around 13,649 tons per year, but the resources are currently under exploited.

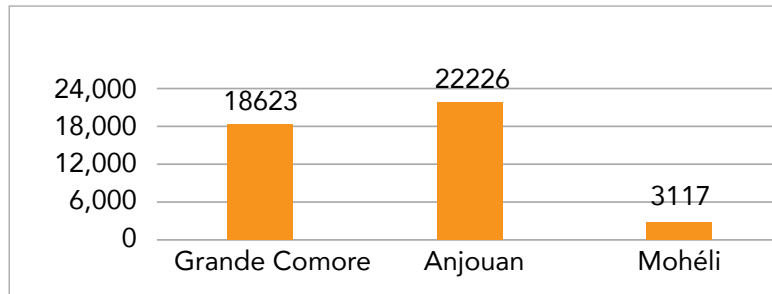
Its resources mainly comprise oceanic pelagic resources, particularly tuna and associated species. There is a wide variety of fish, cephalopods and crustaceans on the seabed or nearby. These species are occasionally exploited by traditional fishermen.

Fishing in the Comoros is still artisanal, but the country has signed fisheries agreements with development partners such as the EU and aims to commercialise fishing in order to extract more value from its resources.

However, foreign vessels are sometimes found operating illegally in Comorian waters. Current surveillance systems based on the satellite Vessel Monitoring System (VMS) and insufficient monitoring of the Exclusive Economic Zone (EEZ) make it difficult to assess the extent of these illicit activities.

On average, over the 2017-2019 period, fish catches per island were as follows:

Average fish catch (tons) per island from 2017 to 2019



The fishing year in the Comoros can be divided into two main periods:

- Kashkazi from November to April (peak season)
- Kusi from May to October (low season)

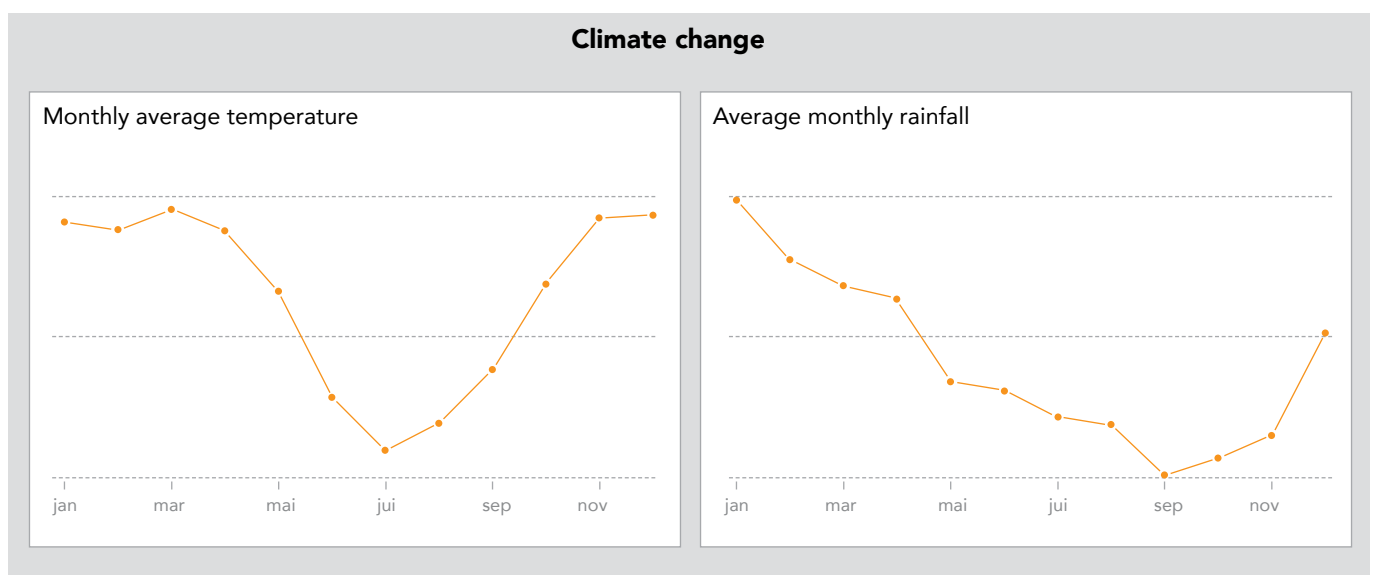
The country’s extensive water resources also offer opportunities for investment in hydroelectric power to generate clean and sustainable energy. This will help to preserve the unique environment of the Comoros and improve its development prospects. Hydroelectric power is already being generated on Anjouan Island but the hydroelectric potential of other islands has not been sufficiently exploited, indicating a need for investment.

Climate

Overall, the Comoros enjoys a tropical climate with a rainy season lasting from November to April. This humid tropical climate is a testament to the country’s unique natural environment, which needs to be protected through investment in sustainable development. The climate is ideal for agricultural activity owing to the amount of rainfall it receives every year.

In addition to high rainfall, the Comoros islands have fertile volcanic soil, particularly Anjouan and Mohéli, which is particularly good for growing vegetables and fruit trees.

Annual rainfall intervals



Land Use

The Comoros has 35.87% of arable land, with 23.32% of it under permanent crops. Agriculture plays a crucial role in supporting the economy of the country, with the sector accounting for 90% of the country's exports. This means that land use is the backbone of the economy. The agricultural sub-sector, which accounted for almost 14.8% of imports between 2014 and 2018, is the source of the largest volume of Comoros' overall imports and the government is eager to create more local production.

Growing rice for the domestic market, for example, is a priority. Current average rice production of 30,000 tons is well below local demand of more than 70,000 tons, showing the size of the opportunity to improve rice production.

Self-sufficiency is also needed in the production of maize, onions, pulses, groundnuts, garlic and tomatoes, all of which are imported. It should be noted, however, that in certain crops, the Comoros has a higher yield per hectare than partner countries such as Madagascar because of the natural advantages of the soil in the country, which allows for longer production periods.

Cash crops

The main cash crops - vanilla, cloves and ylang-ylang - account for a large proportion of the country's exports.

Cloves

Between 2014 and 2018, on average, cloves were the most exported product, accounting for 72.58% of total exports. More than a third of exports went to India and the United Arab Emirates, with the Netherlands and Indonesia the next biggest export markets. New investments in the sector will enable improvements in productivity and value addition to the crop.

Clove exports from 2014 to 2018

Main exports of fresh fruit and vegetables (FFV)	Total 2014 to 2018	Average in KMF
Cinnamon, neither crushed nor ground	1,400,962,453	280,192,491
Cloves, whole fruit, cloves and stems, crushed or ground	525,554,250	105,110,850
Cloves, whole fruit, cloves and stems, neither crushed nor ground	33,747,947,561	6,749,589,512
Pepper of the genus Piper, neither crushed nor ground	708,787,885	141,757,577
Vanilla, crushed or ground	2,906,304,446	581,260,889
Vanilla, neither crushed nor ground	7,929,782,424	1,585,956,485
Total main vegetables-spices	47,219,339,019	9,443,867,804
Total exports	65,639,018,301	13,127,803,660

Source: Inseed, Balance of trade

Vanilla

Vanilla is the second most exported product in the sector, representing 22.94%. Key export markets are Canada, Germany and the USA. New investment in the sector will facilitate improvements in productivity and value addition to the crop.

Cinnamon

Cinnamon has the lowest export value of the cash crops, representing about 3% of the arboreal and agroforestry sector. From 2014 to 2019, the largest export partner was Germany. As with the two previous sub-sectors, quality investment in the crop will enable greater local value to be realised.

Each island specialises in the production of a specific cash crop. For example, Grande Comore produces more vanilla than the other islands, while Anjouan specializes in the production of cloves and ylang-ylang. This competition contributes to a healthy environment for trade and production.

In terms of other crops, Mohéli specialises in the production of bananas and coconuts, while Anjouan produces yams, taro and onions. Grande Comore produces potatoes, cassava and sweet potatoes. This shows how the benefits of agriculture and land use are distributed across the different islands. This land division highlights the need to invest in intensive mechanised agriculture in order to generate revenue growth in the agricultural sector. Arable land is open to foreign investment.

Estimated agricultural production, Cereal imports (2014-2018)

Years	2014	2015	2016	2017	2018	Total 2014-2018
Corn	11,288,948	11,251,579	11,251,311	26,415,602	19,821,354,	79,988,794
Rice	10,976,626,881	12,131,242,175	12,919,126,214	13,035,847,417	11,832,865,093,	60,895,706,780
Wheat, Rye, Barley, Millet, Sorghum	11,251,000	11,251,646	39,200			281,846
Total imports of cereals	10,988,014,829	12,142,636,400	12,930,376,725	13,062,263,019	11,852,686,448,	60,975,977,421
Global Total Imports	71,582,565,311	76,949,862,933	87,331,544,521	90,898,465,277	95,390,200,716	422,152,638,708,

With regard to forestry, the government has demonstrated its commitment to reducing the extent of deforestation in the country by promoting sustainability and centralising responsibility for the sector. Forestry was previously handled by the Ministries of Agriculture, Fisheries, Industry, Handicrafts and the Environment but it has been brought under the umbrella of a single authority known as the National Directorate of Environment and Forests (DNEF). This government agency currently implements the state’s forestry policy and ensures that laws and regulations are enforced. By establishing the DNEF, the government has demonstrated the importance of environmental preservation and protection of the Comoros’s natural resources.

With regard to geographical and environmental issues, various national policies must be considered. These include access to drinking water and sanitation in urban areas, the preservation of natural resources, the development of economic activities related to the protection and enhancement of fauna and flora, as well as adequate forest management. In addition to the numerous issues related to environmental sustainability, the Comorian government intends to create an integrated coastal zone management, which will make these resources more attractive to investors.



4

ECONOMY



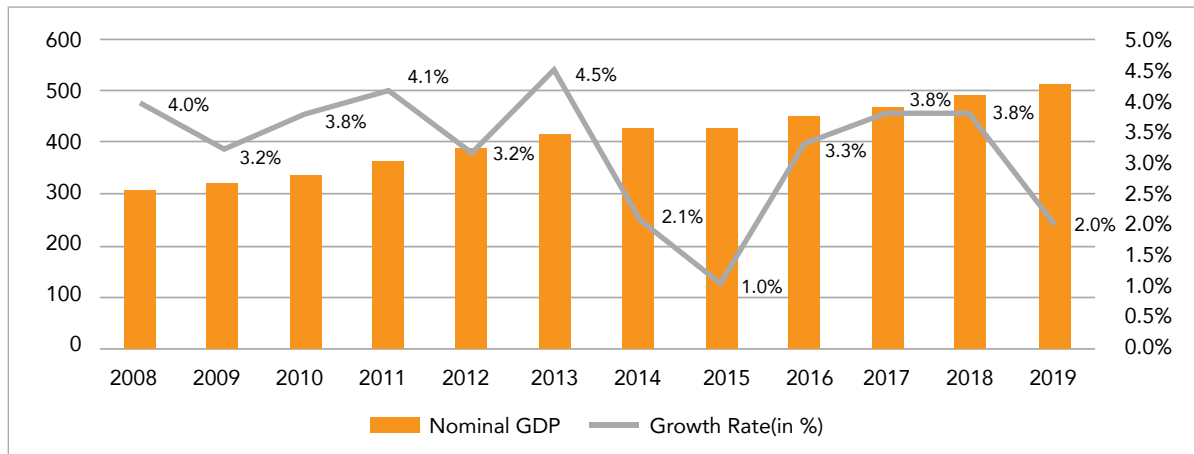
4. ECONOMY

Economic Overview

From 2015 to 2018, GDP grew by 3% on average. In 2019, economic activity was affected by Cyclone Kenneth, which hit the country in April and caused significant damage to power installations, road infrastructure, housing, schools and production capacity.

The government is targeting an economic growth rate of 7% to 7.5% by 2030.

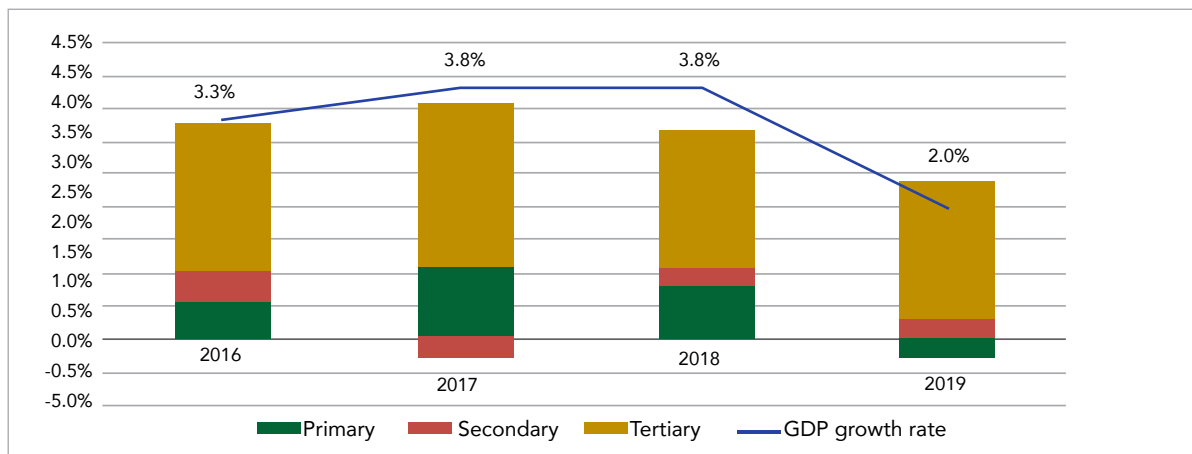
Graph 1. Trends in indicators in KMF billion, unless otherwise indicated



Sources: INSEED and BCC estimates

One year after Cyclone Kenneth, the COVID-19 pandemic hit the country, resulting in a 2% drop in GDP. In this context, the forecasts that expected a rebound in activity in the aftermath of the cyclone are now obsolete. The pandemic had an impact on imports, exports and foreign direct investment in 2020, particularly from companies based in countries most affected by the pandemic, such as France and China.

Contribution to growth and sectoral growth GDP



Sources: INSEED and BCC estimates

Government policy (fiscal, monetary and economic)

Fiscal policy

The Comorian government has succeeded in improving public finance management and restoring fiscal discipline, enabling it to meet the HIPC (Highly Indebted Poor Country) completion criteria in 2012. This allowed the country to benefit from temporary debt relief and reduce its interest payments. Overall, fiscal discipline is expected to be gradually restored. The budget deficit ranged from 2.3% of GDP in 2017 to 0.6% in 2018 and levelled off at 1.8% of GDP in 2019.

Monetary policy

Monetary policy is dictated by the country's membership of the Franc Zone, which means the currency is anchored to the Euro. Since 1999, the interest rates set by the Central Bank of Comoros have been aligned with the average of the Euro Overnight Index. According to its Statutes, the Central Bank has the power to formulate and implement monetary policy within the framework of the (fixed) exchange rate regime as established by the monetary cooperation agreements between France and the Comoros, which is based on the following principles:

- A fixed parity between the Comorian Franc (KMF) and the Euro
- Unlimited convertibility of the Comorian Franc guaranteed by France
- Total freedom of transfer between France and the Union of the Comoros

This guarantee is implemented through an operating account opened in the name of the Central Bank of the Comoros with the French Treasury, in which 65% of the country's foreign exchange reserves are centralized.

The country has only one operational monetary policy instrument, namely the steering of the minimum reserve requirement, which is managed by the Central Bank. It has a dual role of prudential supervision over financial institutions and regulation of the liquidity of the banking sector.

Economic policy

Prospects for economic policy reform have improved with political stability. The authorities have committed themselves to improving the management of state-owned companies and reducing the wage bill of the civil service. The performance of the Comorian economy improved in the past few years, with growth of 3.8% in 2017, and 3.6% in 2018.

However, in 2019, it fell to 1.9% as a result of devastation wrought by Cyclone Kenneth and later from the COVID-19 pandemic, which will have a major impact on growth in 2020 and 2021, given the island nation's dependence on tourism. The debt-to-GDP ratio was 24.3% in 2019, rising to 28.2% in 2020 (IMF).

Growth has been boosted by improved electricity supply since 2016. Between 2016 and 2018, access to electricity increased from 75.4% to 77.8% of the population and power generation increased by 32%, from 19 MW to 25 MW. Growth was also supported by an increase in exports and a rise in remittances.

The increased mobilisation of domestic resources, especially the measures taken by the authorities to raise revenue from customs duties, led to an increase in the tax pressure rate from 13.7% in 2016 to 17.3% in 2017. Remittances are a key source of income, representing 14.4% of GDP in 2019 (World Bank). There was also a 5.8% increase in bank finance.

Reforms are underway to improve the business environment and strengthen the capacity of the public sector.

Government priorities and international programmes

In December 2019, the government held the Comoros Development Partners Conference (CPAD) in Paris with the aim of mobilising resources to enable it to build a sustainable, inclusive, job-creating and environmentally friendly economy.

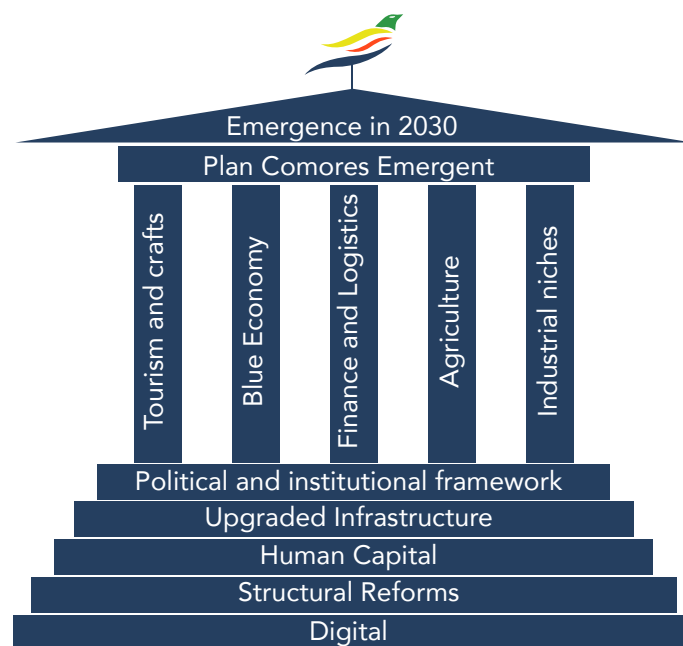
In line with the Comoros Emerging Plan, the government has identified a coherent set of projects that it hopes will create a new growth dynamic and is seeking the support of public and private partners to assist in the financing of its investment programme towards 2030. The plan includes improvements to infrastructure, strengthening the political and institutional framework, the development of human capital and growth of the digital economy. The country also intends to diversify its partnerships by strengthening links with key players in development finance.

At the national level, significant government efforts have been undertaken to encourage investment. A new Investment Code was enacted on 30 January 2021. This Code, which aims to facilitate the development of enterprises, ensures equal treatment of domestic and foreign enterprises and improves investor guarantees. It also introduces a number of tax incentives.

The three major tenets of the new Investment Code are:

- Strengthening investors' rights, including the introduction of a guarantee against expropriation
- Four approval schemes to support investment in key sectors of the economy
- Introduction of Special Economic Zones (SEZ) to support the emergence of Comorian industries

The emergence of Comoros is developed around five foundations and five catalysts:



Caption: Structure of Comoros Emerging Plan

Inflation

Exchange rate

The local currency is the Comorian Franc (KMF), which has been pegged to the euro at a fixed rate of KMF 491.97 per euro since 1999 (due to the Comoros's accession to the Franc Zone, which also covers 14 West and Central Africa countries). The KMF thus mirrors the euro in terms of currency movements and has appreciated by 48.2% against the US dollar.

Inflation rate

Since all essential goods are imported, inflation in the country mainly reflects variations in the cost of imports. Between 2016 and 2018, inflation remained largely stable, varying between 1.8% and 1.7% from 2016 to 2018. The appreciation of the euro against the US dollar offset the sharp rise in prices of food and building materials. In 2019, the inflation rate rose to 3.7%. This high inflationary pressure is mainly attributable to the contraction of agricultural production due to Cyclone Kenneth.

Inflation rate 2016-2020

	2016	2017	2018	2019	2020
Real GDP Growth Rate	3.3	3.8	3.8	2	2.3
PCI inflation	1.8	1	1.7	3.7	1.6
Budget balance (% GDP)	-4.4	-2.3	-0.6	-1.8	0.1
Current account (% GDP)	-4.3	-2.1	-2.9	-3.9	-3.2

Balance of payments

External trade resulted in an improvement in the overall balance of payments with a surplus of KMF 4.1 billion in 2019 compared with a deficit of KMF 2 billion in 2018 as a result of the sharp increase in the surplus recorded on the capital and financial account.

Balance of payments 2016-2020

Balance of payments	2016	2017	2018	2019	2020
Balance of trade	-189	-213	-234	-174	-197
Net income	2,453	2,192	2,616	2,755	2,837
Current transfers	49,038	64,931	69,282	72,888	83,010
Direct investment	1,587	1,707	2,363,	1,616	1,641
Capital transfer	8,370	20,963	13,193	13,457	15,869
Portfolio and other investments	1,444	1,204	1,495	1,684	1,710
Net errors and omissions	-1,978	111	248	-1704	-591

Foreign Direct Investment, Exports and Imports

National investment

Domestic investment is constantly expanding. Gross fixed capital formation increased from USD 137.37 million in 2015 to USD 141.64 million in 2018 and even reached USD 173.24 million in 2019. The share of investment in GDP (about 12% since 2017) is relatively stable, with a slight increase in 2019.

Investment: FDI inflows 2016–2020, in million USD

Year	2014	2015	2016	2017	2018
FDI Inflows	47.06	7.36	0.06	0.32	0.98

Source: United Nations Conference on Trade and Development, World Investment Report 2019

Foreign Direct Investment

Foreign direct investment (FDI) inflows averaged USD 4 million between 2015 and 2017, before jumping to nearly USD 7 million in 2018, USD 8 million in 2019 and USD 9.5 million in 2020.

However, current FDI flows to the Comoros remain marginal, despite the efforts made by the Comorian authorities to attract investment, including tax breaks and other incentives, and improvements to the business environment and institutional stability. According to UNCTAD's World Investment Report 2020, the FDI flows of USD 8 million in 2019 are consistent with historical trends but well below the peak registered in 2011 (USD 23 million). The stock of FDI, which is estimated at USD 129 million, remains low despite the 2019 increase.

Over the past decade, large-scale foreign direct investment projects have been under way in different sectors, which have generated revenue and created jobs.

Selected investors in the Comoros

Company	Activity	Origin
Moroni Terminal (Bolloré Logistics Group)	Transport and logistics	France
CGC	Infrastructure	China
Lafarge Comores S.A (Lafarge Holcim)	Production and marketing of building materials	France
Huawei	Telecommunications infrastructure	China
Telco S.A (Gp Axian)	Telecommunications	Africa
Vigor International Hôtellerie & Transport	Hospitality, transport and energy	Tanzania
Exim Bank	Finance and banking	Tanzania
Discover Exploration Sarl	Oil exploration	United Kingdom
Leignon Synergie (Semlex)	Development, integration, management and delivery of biometric identification systems and hospitality	Belgium
MCP	Hospitality	Italy
Le Retaj	Hospitality	Qatar

Imports and exports

Imports

Cost, Insurance and Freight (CIF) imports stood at KMF 120.6 billion in 2019 compared to KMF 119.3 billion a year earlier, representing an increase of KMF 1.3 billion. The increase was the result of higher imports of food and energy products. In fact, food imports increased by 7.1% over the period. The increase in all food imports except grains is a consequence of a sharp drop in agricultural production caused by the 2019 cyclone.

Main commodity imports: 2015–2019

CIF data	2015	2016	2017	2018	2019
Food products	34.6	35.8	36.5	34.9	37.3
Energy products	19.0	17.8	22.1	25.8	30.4
Capital goods	20.3	21.7	25.3	33.9	27.2
Intermediate goods	18.7	17.6	19.1	21.1	22.1
Other products	2.7	2.9	3.6	3.7	3.5
Total	95.5	95.8	106.6	119.3	120.6

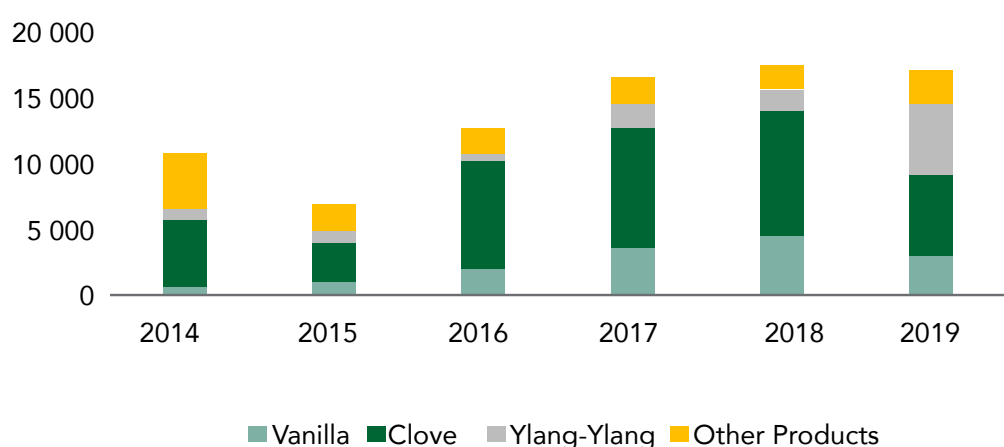
Exports

The Comoros ranks among the world's top five producers of vanilla, cloves and ylang-ylang. These cash crops used in the production of perfumes and cosmetics account for 90% of exports.

Exports decreased between 2018 (KMF 17.6 billion) and 2019 (KMF 17.3 billion). This is attributable mainly to vanilla and cloves, which experienced a 31.6% and 35.1% drop in export earnings respectively over the same period. In 2019, the quantity of vanilla available for export was 19 tonnes compared to 28 tonnes in 2018, with the country earning KMF 3.9 billion from clove exports in 2019 compared to KMF 4.5 billion in 2018. Export earnings from cloves also fell over the period, from KMF 9.6 billion in 2018 to KMF 6.3 billion in 2019, in line with the decline in the quantities exported (4,303 compared to 3,536 tonnes).

In contrast, ylang-ylang export earnings rose sharply to KMF 5.4 billion in 2019 as compared to KMF 1.7 billion the previous year.

Main commodity imports: 2014–2019



DGD and BCC sources

Quantity of exported products: 2016–2019

Item	Quantity (tons)				Value in billion KMF			
	2016	2017	2018	2019	2016	2017	2018	2019
Vanilla	20	21	11	19	2	3.6	2.1	3.9
Clove	4 181	3 863	4 292	3 536	8.4	9.4	7.9	6.3
Ylang-Ylang	26	48	43	56	0.5	1.8	4.2	5.4
Other products	4 364	3 284	3 911	3 400	2.3	1.9	3.2	3.4
Total	8 591	7 219	8 257	7 011	13.2	16.7	17.4	19

Exports by zone

The European market remains Comoros' main customer, accounting for 47.3% of the total exports of goods in 2019. These local products, worth nearly KMF 8.5 billion (mainly vanilla beans and ylang-ylang essence), were mainly imported by France, which accounts for 68.7% of the products sold by the Comoros in Europe. The Asian market, which ranks second, accounted for 24.3% of exports, mainly intermediate goods, vanilla beans and ylang ylang.



5. POPULATION AND DEMOGRAPHICS

National population statistics

The Comoros had a population of 758,316 inhabitants in 2017, according to INSEED. It is one of the least populated countries in the world but has a high population density, with 457 inhabitants per km² compared to 212 inhabitants per km² in the Seychelles and 1,770 inhabitants per km² in the Maldives. The age structure of the Comorian population, like that of many developing countries, is young, with 39% of people below the age of 15.

Population profile by gender and age

	0-14 yrs	15-64 yrs	65+
Men	151,183	212,653	19,882
Women	142,468	213,129	21,295

Urban and rural population

The rural population represents 64.9% of the total population.

Population distribution in large towns and rural areas (2020)

Population in 2020	Population by island	Capital
Grande Comore	379,367	74,749 (Moroni)
Anjouan	327,382	34,940 (Mutsamudu)
Mohéli	51,567	17,291 (Fomboni)
The Union of the Comoros (Total)	758,316	126,980



6. EDUCATION AND HUMAN RESOURCES

General information on education

The Government of the Comoros has placed education at the top of its agenda. In general, school coverage and enrolment is increasing steadily at most levels of education. However, there are still disparities in terms of access to school, particularly among districts, urban/rural areas and islands. There is still a significant percentage of children who have not had access to schooling or have dropped out. Almost 22,000 children of primary school age have not yet enrolled.

The education system is evolving through its openness to international standards and the adoption of different strategies and action plans. New legislation, Law No. 20-034/AU on the orientation of education, marked the opening of the education system to international standards and brought about a major change to the Comorian education system. The adoption of this new law brought technical and vocational education into the education system and made language learning compulsory.

The education system incorporates UN standards and adopts the Competency Based Approach. The Comoros also joined the Conference of Education Ministers of Countries Using French as a Common Language in the early 2000s and adopted the international Education for All (EFA) goals.

A sharp rise in pre-school attendance has been observed. Between the 2015/2016 and 2016/2017 school years, the number of children attending pre-school rose from 10,992 (including 5,526 girls) to 13,920 (including 6,967 girls), representing growth of 27%.

The country has about 523 classrooms and each school has an average of 1.7 classrooms. The gross preschool enrolment rate was 21% for the 2016/2017 school year compared to 17% in 2015/2016. The establishment of the Renovated Koranic Schools is one of the factors contributing to the increase in pre-school attendance.

Secondary education has a gross enrolment rate of 40.5% (37.8% for boys and 43.4% for girls).

Significant progress has been made in education mainly due to the support of development partners such as the Arab Committee, IDB, UNICEF, Saudi Fund for Development, France, European Union, IDA and GPE. The islands of Nzuani and Mwali have the greatest needs in terms of infrastructure and resources.

Academic studies and statistics

The University of the Comoros is located in Moroni, Grande Comore, and was officially opened on 20 February 2004. It was established to lay the foundations of higher learning. When it opened, the university had 1,707 students, comprising 43% girls and 57% boys.

Today, the University of the Comoros, which has one campus on each island, has more than 14,500 students, comprising 5,920 girls (43.71%) and 8,580 boys (56.29%). It offers a number of faculties, including science, law, fine arts and literature. The university offers three types of degrees: DUT (BAC +2), a bachelors degree (BAC +3) and masters degree (BAC +5).

Higher education is still dominated by literary studies, which absorb over 73% of students, at the expense of scientific and technological studies. Almost 80% of students in higher education are enrolled in public institutions but many of them travel overseas to study, with the main destinations being Egypt, France, Madagascar, Morocco and Senegal. According to the AUF, in 2017/2018 France welcomed 2,673 Comorian students, of which 2,212 (82.8%) went to its universities.

Technical and vocational training (TVT)

The provision of technical education and vocational training is in short supply in the Comoros, with only 2,479 children enrolled in these areas. TVT is key to the country's development. However, the system is expensive compared to other education systems and there is a great imbalance in the quantity and quality of training and employment. The cost of this type of education is six to seven times more expensive than general education and the unit cost per student is 2.6 times higher than the regional average.

The limited human and material resources and the negative public image of technical and vocational training are hampering the system. Two types of technical education and vocational training coexist: formal (public and private) and informal. Currently, the public sector has eight training centres, three of which are semi-public with a capacity of 500 students, as well as 93 private centres with a capacity of 2,000 students. Drop-out and repetition rates are lower than in general education.

International primary and secondary schools

To date, there is only one international school in the Comoros, namely the École Française Henri Matisse based in Moroni, Grande Comore, which provides international primary and secondary education.

Employment

Trade Unions

The Labour Code allows workers to establish trade unions that operate at arm's length from the government. There are no restrictions on trade union membership to federations or affiliation to international bodies. The new OPACO (Organisation Patronale des Comores) and MODEC are the main employers' associations. Their main objective is to strengthen the links between its members, safeguard their interests and act as their representative with various government authorities. Strikes may be organised subject to eight days' notice.

Labour legislation

Labour law

According to the Comorian Labour Code, the normal work week is 40 hours and overtime is added to wages at a rate set by the Ministry of Labour.

In addition to the two and a half days of leave per month, women are entitled to maternity and bereavement leave of four months and 10 days.

The Comorian Labour Code specifies that fixed-term contracts may not exceed two years and may only be renewed for an additional year. Foreigners may be employed for a fixed term of more than three years. Fixed-term contracts exceeding the legal restrictions are automatically converted into permanent contracts.

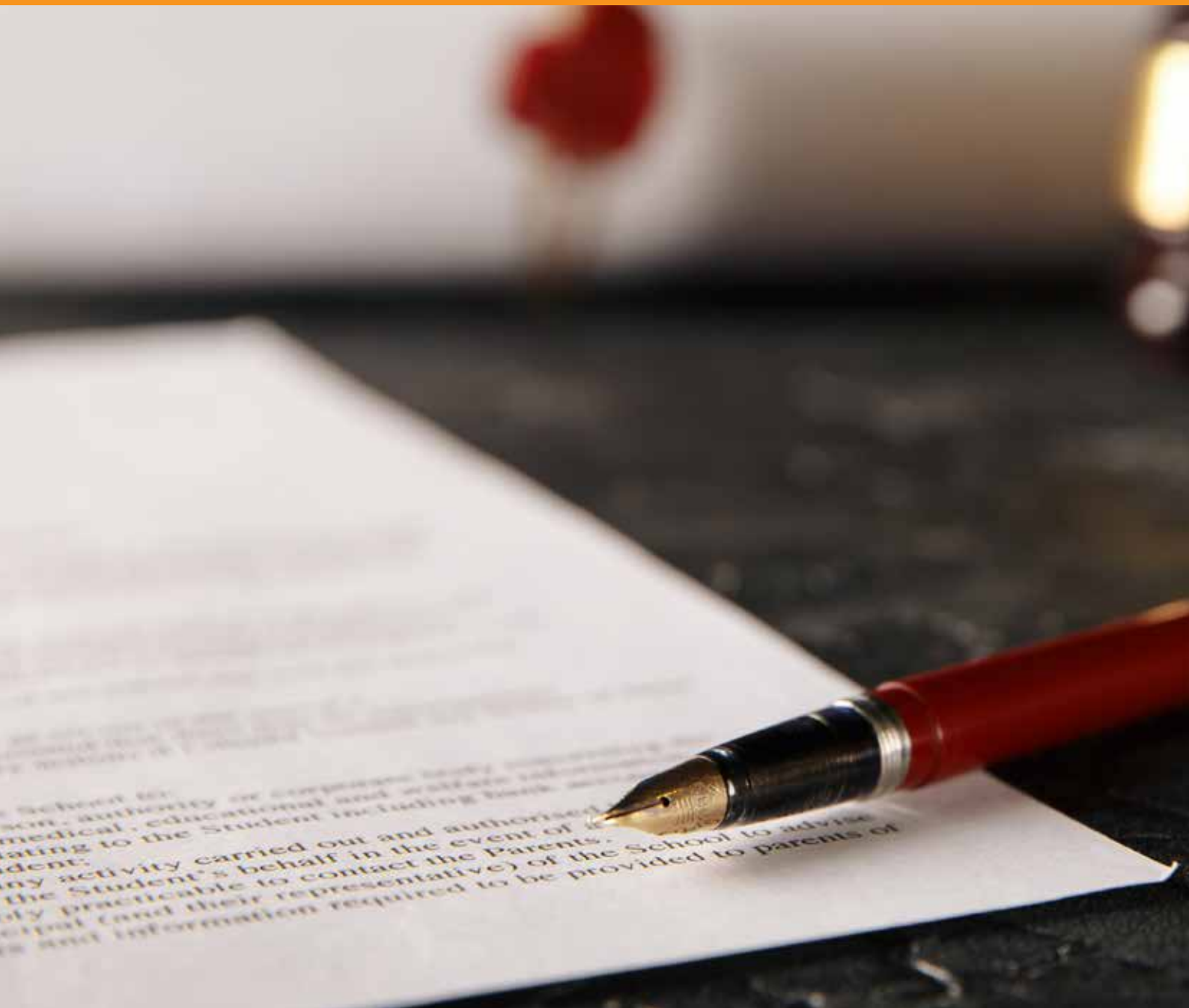
Where the required skills are not available locally, it is possible to employ foreigners. The National Investment Promotion Association (NIPA) can facilitate work permits that are renewable every year with no fixed limit. For all foreigners entering the Comoros, an entry visa and a residence permit are required.

Employment contracts may be terminated by the employer for any legitimate reason related in particular to the employee's ability or conduct or according to the operational requirements of the enterprise, establishment or service (Article 43). Cancellation of a contract is subject to notice and may lead to the payment of compensation, in accordance with the conditions laid down in the collective agreements.

The Labour Inspectorate is the primary contact point for employees facing issues with their contracts.

Foreign workers

Investors are able to employ foreign workers if skills cannot be sourced locally. The NIPA can deal directly with the Directorate of Immigration (under the Ministry of Home Affairs) for work permit applications. Although there is no minimum quota of foreign workers guaranteed to investors, the Comorian authorities tend to respond favourably to applications. Work permits are renewable every year indefinitely. Foreigners entering the Comoros must pay visa and residence permit fees. Visa fees vary according to the number of entries and the length of stay.



7. LICENSING AND PERMITS

Business formalisation

The Union of the Comoros is a member of the Organisation for the Harmonization of Business Law in Africa. The legal structures which can be adopted by companies are provided in the Uniform Act on Commercial Companies and Economic Interest Groups (EIGs), as follows.

- Limited partnership (SCS)
- General partnership (SNC)
- Limited liability company (SARL)
- Public limited company (SA)
- Branch of a foreign company
- Economic Interest Group (EIG)
- Cooperative society (SC)
- Simplified joint stock company (SAS)

Because of the flexibility they offer in managing the company, most investors choose to register as limited liability companies or joint stock companies, requiring a minimum capital of KMF 100,000 respectively, and if the investor goes for a joint stock company, the minimum capital is KMF 7,750 million.

Procedures for setting up companies are conducted directly through the One-Stop Shop set up under the NIPA.

Entry visas and permits

People travelling to the Comoros need a passport with at least six months' validity from the date of entry. Tourist and business visas (45 days) are issued on arrival at the cost of €60.

Other visas, for long-term business stays, for instance, can be obtained by applying to the Comorian embassies and consulates overseas, or to the immigration authorities on entry.

A one-year residence permit costs €250 and a 10-year residence permit costs €500.

All investors wishing to establish a business will be required to provide a criminal record and/or a sworn statement when filing their business registration at the Commercial Court. There is no obligation to provide this document at the time of entry.



8. LEGAL FRAMEWORK FOR INVESTMENT

Key government actors

The National Investment Promotion Agency (NIPA) is the main institution in charge of promoting investment and liaising with international investors who are interested in the Comoros. The Agency was created following the adoption of the 2007 Investment Code and was established in December 2008 under the authority of the Ministry of Investment. Its main duties are to:

- promote the country as an attractive investment destination
- serve as a one-stop shop for promoters and investment project owners
- make any proposal and recommendation to the line minister concerning the enforcement of the Investment Code

The NIPA acts as a liaison between the government and international investors. It provides a range of services to investors, such as carrying out business registration procedures and issuing licences. It also allows investors to obtain the necessary permits and duty exemptions more easily and monitors investments.

Investment laws and regulations

The Comorian authorities have shown their support for improving the business climate and investment conditions by setting up a reform programme with the World Bank and the International Finance Corporation (IFC). This investment climate and leasing programme has resulted in the adoption of a dozen reforms relating to operating and investing in the Comoros, including business creation, access to credit, contract enforcement, transfer of ownership and building permits. This programme, which was concluded in 2016, enabled the Comoros to enhance its investment procedures and thus improve its ranking on the World Bank's Ease of Doing Business annual rankings. A new programme is being discussed with various development partners.

The Investment Code 2020

A new Investment Code came into force in 2021 with a view to assisting investors through the process of investing in the country, including obtaining the necessary permits and introducing new incentives to attract foreign investment.

The main provisions of Law No. 20-035/AU of 28 December 2020 establishing the Investment Code are:

- Guarantee of equal treatment between national and foreign investors (foreign workers have the same rights and obligations as national workers)
- Possibility for investors to obtain approved tax benefits for investments greater than or equal to KMF 20,000,000 (approximately EUR 40,000)
- Strengthening the role of the NIPA in supporting investments

The priority objectives of this Code are as follows:

- Creating new businesses or developing a new venture
- Job creation
- Business creation in inland areas
- Innovation and development of existing businesses
- Encouraging and facilitating entrepreneurship

Eligible business areas

In order to create an environment conducive to the development of the private sector and attract productive private investments that generate employment and income, the Union of the Comoros provides investors with a legal framework. It does not cover, in theory, any company engaged in the following activities:

- Trading activities
- Activities eligible for sectoral codes
- Activities of non-profit organisations
- Banking, finance and insurance activities

Companies that operate in or wish to operate in the priority sectors identified by the current national development plan qualify for benefits under the Investment Code.

Investment Incentives under the new Investment Code

When it comes to incentives, the new Investment Code provides for four incentive schemes

1. Scheme A: This is for Comorian investors who have:

- An investment programme ranging from KMF 20,000,000 (about €40,000) to KMF 100,000,000 (approximately €200,000);
- A viable job creation programme that promotes the recruitment of nationals.

Approval under Scheme A confers the following rights and benefits:

- 1.1. If the holder of the approval is liable to corporate income tax (CIT):
 - Application of a reduced corporate tax rate of 15%.
 - Right to carry forward deficits incurred during the financial years covered by the approval. The remainder of the deficits recorded at the end of the approval period may be carried forward according to the rules of ordinary law, i.e. until the third financial year following the loss-making year.
- 1.2. If the holder of the approval is liable to tax on Artisanal, Agricultural, Industrial and Commercial Profits (BAAIC) or Tax on Non-Commercial Profits (BNC):
 - Abolition of the last two brackets of the income tax scale. The holder will therefore be in the 20% bracket for all income exceeding KMF 1 million.
- 1.3. Suspension of customs duties and taxes, and exemption from import duties and taxes on the import of items included in the list of goods drawn up in accordance with the Annex to the aforementioned Code and attached to the decision to grant approval.

2. Scheme B: This is reserved for companies that have:

- An investment programme ranging from KMF 100,000,000 (€200,000) to KMF 1,000,000,000 (€2,000,000)
- A viable job creation programme that promotes the recruitment of nationals.

Approval under Scheme B confers the following rights and benefits:

- 2.1. If the holder of the approval is liable to corporate tax (CIT) as referred to in Articles 4 et seq. of the General Tax Code of the Union of the Comoros:
 - Application of a reduced corporate tax rate of 15%;
 - Right to carry forward deficits incurred during the financial years covered by the approval. The remainder of the deficits recorded at the end of the approval period may be carried forward according to the rules of ordinary law, i.e. until the third financial year following the loss-making year.
- 2.2. If the holder of the approval is liable to tax on Artisanal, Agricultural, Industrial and Commercial Profits (BAAIC) or Tax on Non-Commercial Profits (BNC):
 - Abolition of the last two brackets of the income tax scale. The holder will therefore be in the 20% bracket for all income exceeding KMF 1.5 million.
- 2.3 Suspension of customs duties and taxes, and exemption from import duties and taxes on the imports of items included in the list of goods drawn up in accordance with the Annex to the aforementioned Code and attached to the decision to grant approval.

3. Scheme C: Also known as the Priority Project Scheme:

This has a 10-year duration starting from the date of approval. It applies to companies whose investment programme is strictly superior to KMF billions before tax; whose investment is made in the priority sectors identified by the National Development Plan; and undertakes to create between 80 and 300 local jobs, which can be increased according to the amount or sector and/or geographical area of the investment.

- 3.1. If the holder of the approval is liable for corporate income tax (CIT):
 - Application of a reduced corporate tax rate of 15%.
 - If the holder undertakes to create at least 150 jobs before the fifth year, they will pay zero tax for this period and qualify for a reduced tax rate of 15% for the next five years.
 - They have the right to carry forward deficits incurred during the financial years covered by the approval. The remainder of the deficits recorded at the end of the approval period may be carried forward according to the rules of ordinary law, i.e. until the third financial year following the loss-making year.
- 3.2. If the holder of the approval is liable for tax on Artisanal, Agricultural, Industrial and Commercial Profits (BAAIC) or Tax on Non-Commercial Profits (BNC):
 - Abolition of the last two brackets of the income tax scale. The holder will therefore be in the 20% tax bracket for any income exceeding KMF 1.5 million.
- 3.3. If the holder of the approval undertakes to create at least 150 jobs before the fifth year
 - For the first five years, abolition of the last three brackets of the income tax scale. The holder will therefore be liable to the 15% bracket for all income exceeding KMF 1 million.
 - For the remaining five years, the last two brackets of the income tax scale shall be abolished. The holder will therefore be liable to the 20% bracket for all income exceeding KMF 1.5 million.
- 3.4. Benefit from the status of authorised economic operator, suspensive procedure for customs duties and taxes, and exemption from import duties and taxes, on the import of goods included in the list of items drawn up in accordance with the Annex to the Code and attached to the decision granting the approval.

4. Scheme D

- 4.1. If the holder of the approval is liable to corporate income tax (CIT):
 - Application of a reduced rate of 10% for the first five years and a reduced rate of 15% for the following 10 years.
 - If the holder of the approval undertakes to create at least 350 jobs before the fifth year: application of a reduced rate of 5% for the first five years, a reduced rate of 10% for the following five years and a reduced rate of 15% for the last five years.
 - Right to carry forward deficits incurred during the financial years covered by the approval. The remainder of the deficits recorded at the end of the approval period may be carried forward according to the rules of ordinary law, i.e. until the third financial year following the loss-making year.
- 4.2. If the holder of the approval is liable for tax on Artisanal, Agricultural, Industrial and Commercial Profits (BAAIC) or tax on Non-Commercial Profits (NCP):
 - Elimination of the last five brackets of the income tax scale for the first five years. The holder will therefore be liable for the 5% bracket on all income in excess of KMF 150,000.
 - For the following 10 years, the last two brackets of the income tax scale will be abolished. The holder will therefore be in the 20% bracket for all income exceeding KMF 1.5 million.
- 4.3. If the holder of the approval undertakes to create at least 350 jobs before the fifth year:
 - For the first five years, the last four brackets of income tax will be abolished. The holder will therefore be in the 10% bracket for all income exceeding KMF 500,000.
 - For the next five years, the last three brackets of the income tax scale will be abolished. The holder will therefore be liable for 15% tax on all income exceeding KMF 1 million.
 - For the remaining five years, the last two brackets of the income tax scale will be abolished. The holder will therefore be liable for 20% for all income exceeding KMF 1.5 million.
- 4.4. Benefits derived from the accredited economic operator status, suspensive regime of customs duties and taxes, and exemption from import duties and taxes on imports of goods appearing on the list of goods established in accordance with the Annex to this Code and attached to the decision granting the approval.

Important laws

Competition law

The aim of the Competition Act is to promote the free market by controlling or eliminating any practice that has the effect of constraining competition and which is detrimental to the development of the national economy and the interests of consumers.

Land ownership

There are four basic categories of land ownership and registration: untitled land, titled land, state domain and village reserves. About 80% of the inhabitants own small plots of land with no title. Those who own larger plots of land ranging from 635 to 5,000 hectares hold land titles which were obtained during the colonial period and which are still recognised today.

Intellectual property rights

The Union of the Comoros is a member of the World Intellectual Property Organisation and complies with most of the relevant international conventions.

The Comorian Office of Intellectual Property (OCPI), which was established in 2018, aims to protect all intellectual property titles as defined by the Bangui Agreement on Combatting Counterfeiting and Piracy. The OCPI is also responsible for:

- Promoting the acquisition of technology through the use of patent documents;
- Monitoring intellectual property issues at national and international level;
- Ensuring the implementation of ratified agreements and treaties;
- Taking all necessary measures to curb the illegal use of protected property titles in the national territory;
- Contributing to the promotion of literary and artistic creativity; and
- Working for the establishment of legislation, regulations and management structures for authors' rights.

Environmental law

The environment is governed by the Law of 22 June 1994, which was amended in 1995. While no decree of this law has been adopted, a national environmental policy and an environmental action plan were launched in 1994–1995. The Union of the Comoros also participates in 11 international and regional conventions on the protection of the environment.

Free trade areas and special economic zones

Following the accession of the Union of the Comoros to the African Economic Zones Organisation in December 2019, the country is currently conducting studies to identify other special economic zones in order to set up adequate structures in each sector that would facilitate improved investment conditions.

9

MARKET ACCESS AND INTERNATIONAL MEMBERSHIPS



9. MARKET ACCESS AND INTERNATIONAL MEMBERSHIPS

The Union of the Comoros is a member of several international organisations and has preferential access to numerous international markets. They include the following.

Indian Ocean Commission

The Union of the Comoros is a member of the Indian Ocean Commission (IOC), an intergovernmental organisation which also includes Madagascar, Mauritius, France (for Réunion) and the Seychelles. The IOC was established in January 1984 under the General Cooperation Agreement, known as the Victoria Agreement. The Maldives has observer status.

The objective of the IOC is to foster diplomatic, economic and commercial cooperation in the fields of agriculture, marine fisheries and conservation of resources and ecosystems, as well as in the cultural, scientific, technical, educational and judicial fields. Lately, cooperation has focused on marine conservation and fisheries management.

Organisation of Islamic Cooperation

Since 1976, the Union of the Comoros has been a Member State of the Organisation of Islamic Cooperation (OIC), the second largest international organisation in the world after the United Nations, and it maintains a permanent delegation in the organisation. The OIC, whose administrative headquarters is in Jeddah, Saudi Arabia, consists of 57 Member States. It was established to act as the collective voice of the Muslim world (Ummah), as well as safeguard the interests and ensure the progress and welfare of Muslims.

Common Market for Eastern and Southern Africa (COMESA)

COMESA is the largest Regional Economic Community (REC) in Africa, with a population of over 430 million and a combined GDP of more than USD 447 billion. The Comoros is one of the 19 COMESA Member States that participate in the COMESA Free Trade Area. This confers duty-free and quota-free access to 13 other major markets in the COMESA Region.

After successfully launching its Customs Union in 2009, COMESA continues to drive regional integration by supporting the improvement of investment conditions and making the region internationally competitive.

The significance of the Comoros membership in COMESA and its FTA lies in COMESA's higher FDI growth rate compared to other major regional trading blocs, as well as its high average GDP growth rate (5.7% in 2009).

International Network of Francophone Investment Promotion Agencies (RIAFPI)

The Union of the Comoros, through the NIPA, has been a full member of the RIAFPI since its establishment in 2014. This membership is an opportunity for the Agency to expand its network, benefit from the sharing of experiences, acquire best practices, increase its visibility and strengthen its capacity.

The mission of the RIAFPI is to support the development of national and foreign investment in the Member States. It aims to accelerate economic growth, promote the exchange of information, reduce poverty and improve the living conditions of people in its relevant states by providing innovative ways to access funding in the French-speaking world and by creating a synergy between investors from francophone countries.

The NIPA in Comoros has been participating in the network's activities since its establishment. This commitment was recognised by its election as a member of the International Committee and representative of the East Africa and Indian Ocean Zone for two consecutive terms of five years each (2014 and 2019).

African Economic Zones Organisation (AEZO)

The Union of the Comoros, through the NIPA, became a member of this continental association in November 2019. AEZO is a grouping of large public and private institutions responsible for the development, management and promotion of economic zones in Africa. This association, which comprises more than 40 countries, provides a platform for the exchange of ideas and sharing of development models for economic zones on the continent.

African Continental Free Trade Area (AfCFTA)

The AfCFTA is a pan-African free trade area that was launched in March 2018. Trading began under the agreement in January 2021. All African States, with the exception of Eritrea, have signed the AfCFTA agreement, while 36 had ratified it by February 2021. The Union of the Comoros has been a signatory to the agreement since its launch in 2018 but has not yet ratified it.

World Association of Investment Promotion Agencies (WAIPA)

Through its wide range of activities, the WAIPA provides a platform to Investment Promotion Agencies (IPAs) for networking and sharing best practices in investment promotion. The Union of the Comoros became a member of the WAIPA in March 2017, which has dedicated time and effort to building the human resource capacities of its member organisations.

The NIPA benefits from training for its staff and shares its own experience and learnings with other members of the network.

Southern African Development Community (SADC)

The SADC is a regional group of 16 Member States which was founded in 1980. SADC's mission is to promote sustainable and equitable economic growth and socio-economic development. The Comoros was admitted to SADC as a full member in 2018.



10 INFRASTRUCTURE AND UTILITIES



Moroni Prince Said Ibrahim International Airport

10. INFRASTRUCTURE AND UTILITIES

In terms of general transport and infrastructure, the Comoros archipelago offers unique investment opportunities. Currently it has:

- three airports, including an international airport in Grande Comore
- two ports, including an international port in Mutsamudu
- 880km of roads throughout the territory

There are international flights linking the Comoros to major business cities in the region, including Harare, Addis Ababa, Nairobi, Dar es Salaam and Johannesburg. This demonstrates the country's potential to become a business centre and an ideal location for building ports due to its geographical proximity to the southern and eastern shores of Africa.

Land transport

Grande Comore has the longest network of paved and unpaved roads among the islands. However, there are still many opportunities for investment in the road network programme, according to the Comoros Emerging Plan.

State of the road network by island (units in km)

Network	Good	Average	Bad	Very bad	Total
Grande Comore	53.1	111.1	255.6	42.5	462.2
Anjouan	27.9	70.6	11.6	103.8	213.9
Mohéli	23.4	40.6	11.5	18.2	93.6
Global Total	104.5	222.2	278.6	164.5	769.8
%	13.6	28.9	36.2	21.4	100
Network in %	Good	Average	Bad	Very bad	Total
Grande Comore	11	24	55	9	100
Anjouan	13	33	5	49	100
Mohéli	25	43	12	19	100

The Comoros has not had a national airline since 1994 and the inter-island and regional air transport sector has been taken over by private operators, including ComAir, AB Aviation, Int'Air Iles and R'Komor. This demonstrates the potential of the country to privatize transport infrastructure and its willingness to accept foreign direct investment in air and maritime transport projects.

Air transport

There are currently nine airlines operating at the Prince Said Ibrahim Airport in Moroni, including six international airlines:

- Kenya Airways
- Ethiopian Airlines
- Ewa Air
- Turkish Airlines (only during the summer season)
- Air Tanzania
- Air Madagascar

Maritime transport

The Comoros archipelago has primary and secondary ports located long distances from each other. The closest coastlines between the islands are, respectively, 70km between Mohéli and Grande Comore, 60km between Mohéli and Anjouan, and 70km between Anjouan and Mayotte.

Small motorboats execute inter-island sea crossings in approximately two hours, transporting passengers and food.

About 66,000 travellers make inter-island crossings annually, while an estimated 250 people use speedboats daily between Chindini (Grande Comore) and Hoani (Mohéli), and Ouropveni (Grande Comore) and Dodin market (Anjouan). About 200 passengers commute weekly between the ports of Mutsamudu and Moroni using a private boat service.

Development prospects for maritime transport

The country, through the Comoros Emerging Plan, intends to improve inter-island and regional maritime transport based on the statistics recorded in recent years.

Development prospects for maritime transport

Actually	Objectives
66,000 annual maritime passengers in 2016	132,000 passengers targeted in 2025 and 200,000 in 2030
80,000 tonnes of conventional goods transported in 2021	160,000 tonnes targeted in 2025 and 240,000 tonnes targeted in 2030
Up to 25 daily inter-island crossings by motorboats	Minus 50% as soon as the maritime connections are set up
For shipping companies, an income potential of: <ul style="list-style-type: none"> • €1.6 million in 2021 for passenger transport; • €2.5 million in 2021 for conventional cargo 	For shipping companies, an income potential of: <ul style="list-style-type: none"> • €7.5 million in 2030 for passenger transport; • €7.5 million in 2030 for conventional cargo

Energy

Fuel prices (gas, diesel, fuel oils) and technical information

The Société Comorienne d'Hydrocarbures (SCH), which manages hydrocarbons under the government, is increasing its storage capacity for energy products while awaiting progress in oil production. The low storage capacity for hydrocarbons, the dependence on petroleum products and the dilapidated network have had a significant impact on electricity prices. With the support of the Comoros Emerging Plan, action will be taken to improve the load structure of thermal generation, upgrade the generating fleet and strengthen the grid. The construction of three new tanks on the SCH site will boost self-sufficiency from 40 to 90 days.

Oil and gas sector

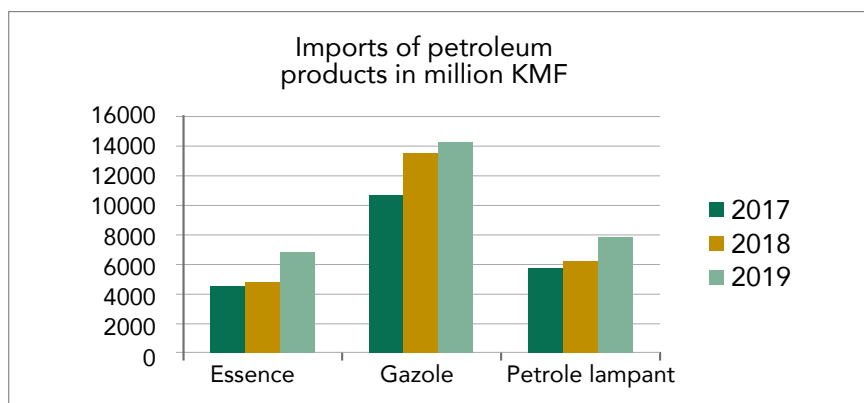
Since oil was discovered in Comorian waters in 2012, international companies have been positioning themselves to exploit this deposit. The main companies doing so are the Bahari Resources and Discover Exploration consortium and the Safari Petroleum and Western Energy consortium.

The Bahari Resources and Discover Exploration consortium is under contract to explore blocks 35, 36 and 37 offshore Comoros, while the Safari Petroleum and Western Energy consortium is exploring blocks 38, 39 and 40. The gross potential of risk-free resources could reach seven billion barrels of oil.

In the meantime, imports of energy products increased by 18.2% between 2018 and 2019, reaching KMF30.4 billion in 2019 compared with KMF25.8 billion the previous year. This trend is attributed to the expansion in imports of petroleum products, particularly diesel (+5.7%), paraffin (+24.5%) and petrol (+43.6%).

There have also been increases in the import of other fuel products such as gas (+2.5%), although the import has declined of wood (-6.2%) and waste oils (-1.9%).

Imports of three (3) petroleum products from 2017-2019



Storage capacity of the Société Comorienne des Hydrocarbures (SCH) for petroleum products

Storage capacity of the SCH for petroleum products (in cubic metres)			
Depot	Petrol	Gasoil	Jet A1
Moroni (Grande Comore)	3 400	6 200	2 000
Hahaya (Grande Comore)			780
Mutsamudu (Anjouan)	2 000	4 500	2 700
Fomboni (Mohéli)	110	258	160
Total	5 510	10 958	5 640

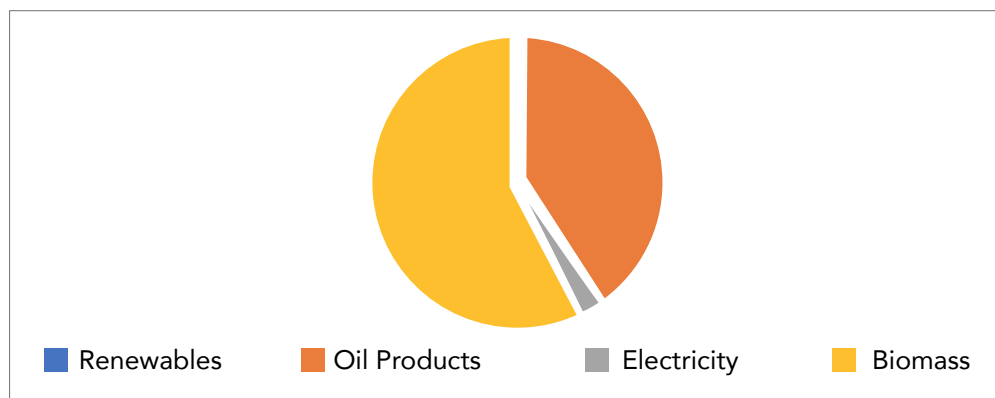
Electricity

The electricity sector is a major challenge in the Comoros, where the authorities have focused on the need to stabilise electricity supply and access, particularly outside the capital. A skilled workforce is needed to operate the power sector network and ensure reliable maintenance of power plants.

Wood, charcoal and petroleum products are the main sources of energy in the country.

The country's energy balance in 2017 indicated consumption of 6,597 terajoules (Tj), of which 57% was supplied by traditional energy sources and 41% by oil products, according to a BSR-EA CEA study. Solar energy and hydroelectricity are marginal in the current energy mix.

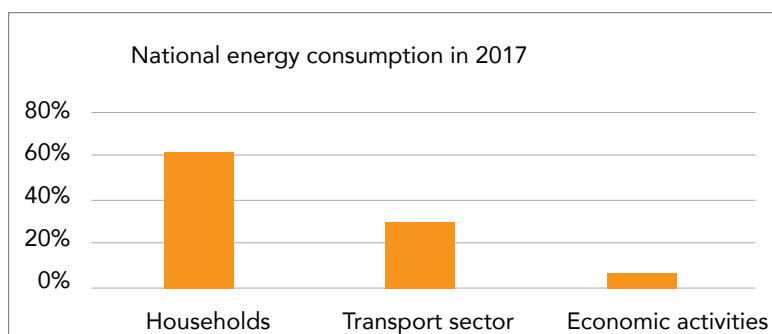
Comoros energy mix in 2017



Source: BSREA

Households consume 63% of the country's energy, followed by the transport sector, which accounts for 32% of consumption, with industry and trade accounting for only 5% of consumption.

National energy consumption in 2017



Source: BSREA

Electricity is mainly supplied by thermal power plants. The power generation system runs on diesel and consists of four thermal power stations on the three islands with 28 diesel-powered units representing an installed capacity of 41 MW and an available capacity of 31.9 MW. Hydroelectric power stations supply 0.6 MW to the island of Anjouan. Generating capacity is limited due to the obsolescence of some units, lack of maintenance and inadequate human capacity to operate and maintain the plants. The country is exploring its significant solar and geothermal resources, which could eventually meet a significant share of the needs.

Comoros' power generation capacity in WM-2019

	Grande Comore		Anjouan		Mohéli	
	Installed capacity	Available capacity	Installed capacity	Available capacity	Installed capacity	Available capacity
Voidjou power station	19.6	17,3				
Itsambou power station	8.0	4.7				
Fomboni power station					4	2
Trenani power station			8.2	6.3		
Lingoni power station			0.3	0.3		
Marahani power station			0.3	0.3		
Total	27.6	22	8.8	6.9	4	2

The sectoral strategy for the energy sector aims to:

- produce reliable, safe, affordable and sufficient energy
- improve access by the poorest populations to clean energy at the best prices
- diversify energy sources and develop the specific natural resources in the various parts of the territory
- increase the involvement of the private sector and stakeholders in the development of the sector and build capacity to build sustainable local expertise.

To this end, the Comorian government will undertake infrastructure development projects including:

- The operationalisation of an 18 MW power plant using heavy fuel oil
- Drilling and construction of a 10 MW geothermal power plant
- The connection of solar power plants, without storage, to provide 12 MW
- Increasing hydrocarbon storage capacity
- Rehabilitating and consolidating transmission and distribution networks
- Adapting the production fleet to the growing demand.

Renewable energy

To address the problem of power cuts, the Comoros is moving towards the introduction of renewable energy throughout the country. In light of this, two 3 MW PV plus battery storage pilot projects are currently under development as public-private partnerships, one in Grande Comore being developed by Innovent and one in Anjouan, being developed by VIGOR of Tanzania.

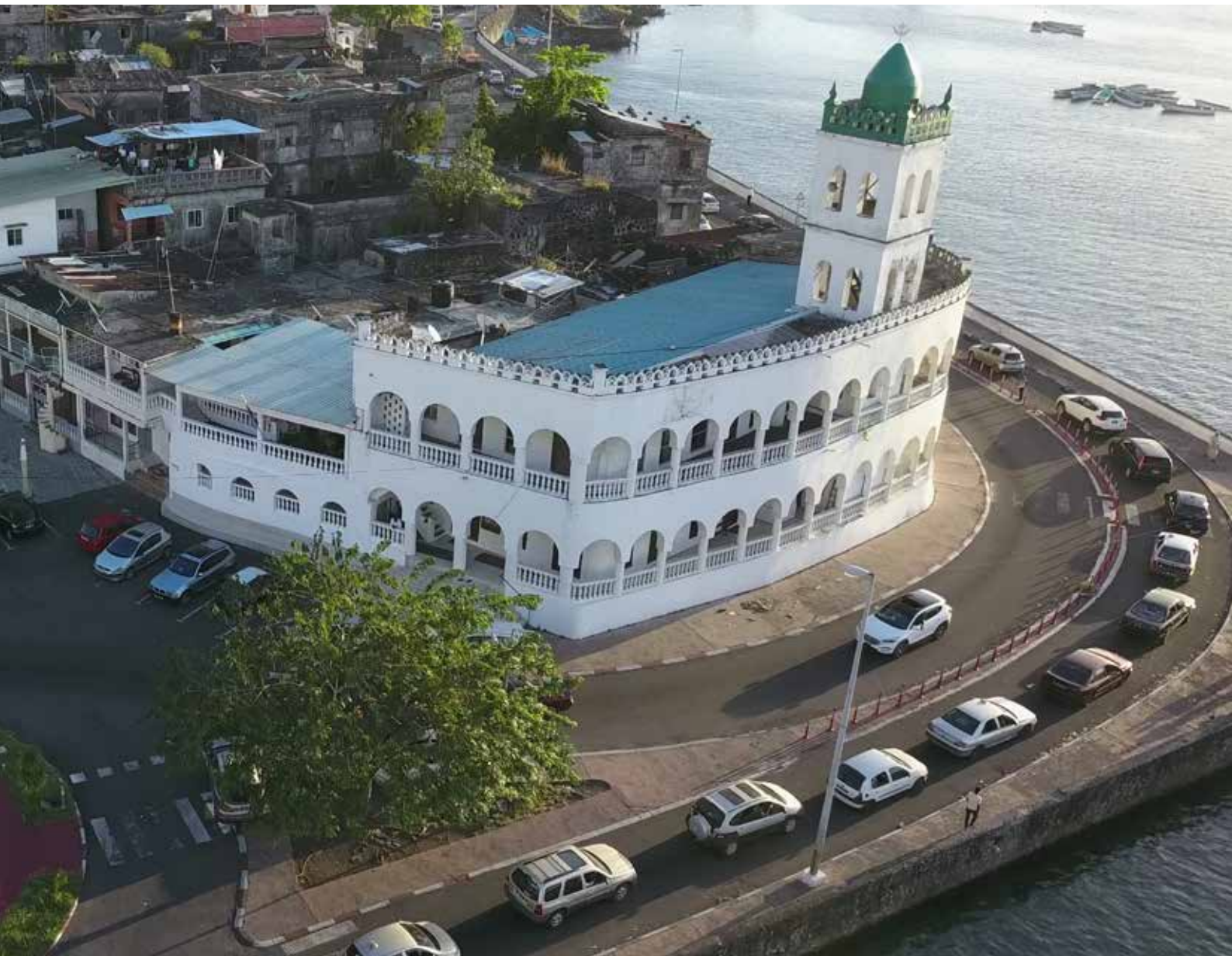
In November 2020, the construction of the first and largest photovoltaic power plant was completed in Pomoni. Located on five hectares of land, the fixed-tilt power plant will produce 4 MW or 40% of the electricity needs of the island of Anjouan, providing a lifeline for businesses that have suffered from regular power cuts.

The solar park located in the south-east of Grande Comore began operating in December 2020. The park, which is scheduled to be fully commissioned during 2021, has a total capacity of 3 MW and the first 500 kWh has been taken into the national grid.

Water and sewage flow

The Union of the Comoros, which is an archipelagic country, has significant water potential. However, few investigations and surveys have been conducted to fully understand, leverage and harness the water resources, which are mainly allocated to drinking water (85% of withdrawals).

Annual water demand was estimated at 16,871,088 m³ in 2012 and will reach 35,457,651 m³ in 2030.



11

BANKING AND FINANCIAL SERVICES



11. BANKING AND FINANCIAL SERVICES

The banking system

The independence of the Comoros in 1975 was followed by an institutional agreement with France whereby the Institut d'émission des Comores was granted the privilege of issuing currency. This right was then transferred to the Central Bank of Comoros (BCC) on the 1st of July 1981.

Since 19 November 1999, the official rates of the BCC have been indexed to the Euro Overnight Index Average (EONIA), which led to a stabilisation of interest rate differentials with the euro. The BCC applies a minimum reserve system equivalent to 25% of the deposits and debt securities issued. The Board of Directors, in its meeting of 10 December 2013, decided to drop the reserve requirement from 20% to 15% as of 2 January 2014. It has the exclusive right to issue local currency and its main role is to formulate monetary and credit policy and manage international reserves.

Licensing

In accordance with the Banking Act No. 13-003/AU of 12 June 2013 on the regulations of banks and financial institutions, the Central Bank of Comoros issues licences to institutions or companies aiming to provide banking or financial services in the country.

Structure of the financial system

The Comorian financial system comprises the public treasury, a central bank, four commercial banks, four networks of decentralised financial institutions and three financial intermediaries. In addition, there is an electronic money institution and other financial actors are involved, including financial services intermediaries such as the Western Union, MoneyGram and Comores Express.

Major players in the banking and insurance sectors

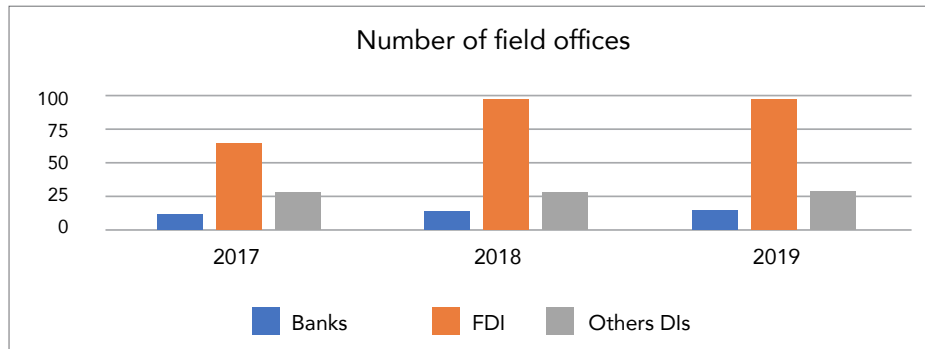
Given the limited size of the financial services sector in the Comoros, it tends to mainly focus on banking activities. Banking services are delivered across the islands through financial outlets by the following institutions:

- The Bank for Industry and Trade (BIC) – A universal commercial bank offering a limited range of products (savings and credit).
- The Exim Bank – a commercial bank (originating from Tanzania) that began its operations in Moroni (Grande Comore) in 2007 and in Anjouan in 2009.
- The Federal Bank of Commerce (BFC) – a commercial bank that has operated in the Comoros since 2009.
- The Comoros Development Bank (BDC) – it provides medium and long-term financing, mainly to industrial enterprises.
- The Société Nationale des Postes et des Services Financiers (SNPSF) – it is a financial intermediary that hosts the National Deposit Fund departments (Caisse Nationale d'Épargne), postal account services and Western Union transfers.
- Decentralized financial institutions for micro-finance, such as the SANDUK and MECK networks.
- MoneyGram, Ria and Global Express – these are financial services intermediaries involved in money transfers.

Insurance companies operating in the Comoros are Atlantic Financial Group, Al Amana Assurance, Assurances Conseils des Comores, Comores Trade International and La Générale d'Assurance et de Prévoyance.

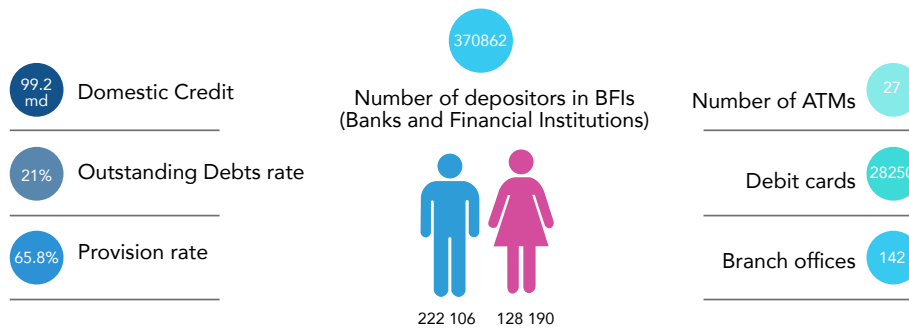
The number of banking agencies is increasing. In 2019, the banking system had 142 branches, compared with 137 in 2018. In terms of distribution, the banks have 15 branches, the decentralised financial institutions have 98 and the other deposit-taking institutions have 29 branches.

Banking sector by number of branches and accounts



Microfinance institutions continue to play a fundamental supporting role in financing the economy. According to the IMF's 2019 Financial Access Survey, DFIs have 213,542 depositors (representing 239,911 deposit accounts), which reflects an increase of 8.3% compared to 2018. Banks, on the other hand, have only 73,150 depositors for 72,993 deposit accounts. The number of ATMs increased from 25 to 27 from 2018 to 2019.

Number of deposit accounts from 2017 to 2019



International financial institutions

The Union of the Comoros has access to the facilities of the European Investment Bank (EIB) as it is a signatory to the agreement signed between the African, Caribbean and Pacific Group of Nations and the EU, known as the Cotonou Agreement. Under this facility, entities in the COMESA region can borrow money from the EIB for up to 50% of the value of the investment at competitive interest rates and under flexible structures.

As a member of the World Bank, the Union of the Comoros has access to IFC facilities. Other development finance partners include the African Development Bank (AfDB).



12 SECTORS AND OPPORTUNITIES



12. SECTORS AND OPPORTUNITIES

The aim of the Comorian authorities is to bring the Union of the Comoros into the ranks of emerging countries by 2030. To this end, they have identified five pillars (sectors) and five catalysts that constitute the structure around which the vision of the Comoros Emerging Plan is developed.

With a gross national income per capita of \$1,400, the country is classified as a lower middle-income country. The ambition is to move into the upper bracket of over \$4,000 per capita by 2030, drawing on the successful practices and models of other emerging countries to put the Union of the Comoros on the path of economic expansion, to break from the cycles of low and volatile growth and create a growth momentum that enable it to realise an average growth of 7.5% by 2030.

The sectors identified as the building blocks of the Comorian economy are:

- Tourism and handicrafts
- Blue economy
- Finance and logistics
- Agriculture
- Niche industries

The detailed sectoral information below is taken from the Comoros Emerging Plan 2030.

Tourism and handicrafts

The vision of the Comoros Emerging Plan 2030 is to make the Comoros a leading tourist destination in the Indian Ocean region.

Tourism is a key but relatively underdeveloped economic sector. The archipelago boasts rare natural assets which tend to be undervalued. In addition, the weak development of tourism infrastructure compared to other Indian Ocean islands gives investors an idea of the industry's potential.

There are numerous opportunities for the development of beach package holidays on the islands. The beaches of Grande Comore and Mohéli in particular make Comoros an attractive destination, both for clients seeking the comfort of large tourist resorts, which have yet to be developed, and for visitors who wish to explore the preserved natural sites. While Grande Comore's large beaches are suited to the development of resort tourism, Mohéli, the smallest island, lends itself more to ecotourism due to its rich landscape, flora and seabed. The Comoros certainly holds great potential for the development of traditional maritime tourism and ecotourism, as well as popular water sports and diving.

The country's natural attractions, however, go beyond its beaches. The Karthala volcano on the island of Grande Comore, which has the largest crater in the world, is still active and is the most famous tourist attraction in the archipelago. The islands, Mohéli in particular, offer a unique underwater landscape (marked by the presence of the coelacanth, an endangered fish species dating back hundreds of millions of years, as well as turtles and dugongs) and a diverse tropical flora. The Bangoi-kouni Salt Lake in the north of Grande Comore is also a popular destination.

The Comorian culture is also diverse, especially in terms of crafts (woodcarving, embroidery and traditional jewellery) and gastronomy (madaba, pilao, kakamoku and skewers). This is due to the wide range of influences -African and Malagasy, Asian, Indian, Arab and French - which characterise the Comorian population. There is also the country's the historical heritage, which includes numerous monuments, archaeological sites, religious buildings (such as the Great Mask of Moroni), forts and the old Sultan's Palace.

Despite this rich heritage, the tourism sector remains underdeveloped. The country welcomed 45,077 visitors in 2019, representing a 25.7% increase over 2018. The Comorian diaspora, mainly based in France, accounts for two-thirds of the tourists visiting the islands.

Tourist arrivals from 2017 to 2019

Tourist arrivals	Number			Annual variation (%)		
	2017	2018	2019	2016/2017	2017/2018	2018/2019
Year						
Europe	16 574	22 554	30 733	8.2	36.1	36.3
Africa	11 630	10 979	10 768	41.8	-5.6	-1.9
Other countries	2 007	2 332	3 576	-39.5	16.2	53.3
Total	30 211	35 865	45 077	12.5	18.7	25.7

With the return of political stability to the Comoros over the past 10 years and the limited supply of accommodation in the country, there is considerable potential for tourism development, but this will require significant foreign investment in the hotel sector. The island is now well placed to compete with other destinations in the Indian Ocean and to be a stopover to other regional destinations such as Mauritius and Seychelles. As well as accommodation, new roads need to be built to support a growth in tourism.

The Blue Economy

The abundant water and fishing resources of the Comoros makes the country a key area for the development of a blue economy. Many opportunities exist that have not been exploited, such as fisheries and fish processing. Tuna is the main source of local fishing. However, there is a wide variety of fish in Comorian waters as well as unexploited stocks of lobsters and octopus near the coast.

Traditional fishing is an important sector of the Comorian economy, accounting for one-tenth of GDP and a fifth of agricultural GDP. Fishing activities are concentrated near the coastline of the islands (less than 10 nautical miles) and the fishermen mainly use small motorboats. Average production is 16,000 tonnes per year, which is an acceptable level for the replenishment of resources near the coast.

Currently, this production is exclusively for domestic consumption because of small catch volumes, a lack of necessary equipment for more commercial activities (including packaging and transport), and challenges in meeting international health standards governing exports.

This shows the investment opportunities offered by the fisheries sector, not only in terms of increasing production capacity, but more broadly in the development of infrastructure and port facilities to sustain the sector. Such investments will allow the development of semi-industrial fisheries. But to support this ambition, Comorian ports would need to be adapted to accommodate larger vessels, especially in Grande Comore.

Cold storage facilities are needed near the port as part of building a cold chain up to the point of sale. In addition, gaining access to external markets will require compliance with international Sanitary and Phytosanitary Measures, supported by the establishment of a national laboratory capable of issuing relevant certificates.

The commercial development of this sector must include processing and packaging units both for the domestic market and exports, as well as curing facilities. Having all these in place will enable the Comoros to reduce imports from Madagascar.

Despite the relative significance of the sector in the national economy, the country continues to import fish (500 to 1,000 tonnes per year) to meet rising local demand. The islands also import meat. Increasing local supplies will not only decrease the need for exports, it will mean lower prices for food by removing the high transport costs associated with imports.

An Indian Ocean hub for financial and logistics services

The Comorian financial sector has a limited outward orientation. Yet, a financial services economy is a relevant niche which has been successfully tapped by many small island countries. The Union of the Comoros aims to become a financial services hub in the Indian Ocean by 2030 through the establishment of a special financial zone. The Moroni Finance Smart City will host major investment projects and will aim to attract investment and pension funds from commercial, investment and merchant banks and offshore companies. The Moroni Finance Smart City will dedicate a special niche to Islamic finance in order to attract banks from the Gulf States and Saudi Arabia to set up operations in the Comoros, using it as a base for other business in the Indian Ocean islands and throughout Southern Africa.

Modernised agriculture for food security

Agriculture should be a driver of growth and food security by building effective value chains within the sector and building entrepreneurship in rural agriculture. The country has the capacity to set up value chains and food-processing industries in order to reduce food imports. The vision of the Comoros Emerging Plan is to promote more productive, climate-resilient, competitive and sustainable agricultural systems which integrate the resilience of rural communities and rely on agricultural processing units along value chains.

Achieving the objectives of the agricultural sector will require, on the one hand, major support measures for growers and others in the value chain, and on the other hand, financial reforms to enable sustainable financing for the sector. The plan will be based on improving sector governance, diversifying and intensifying agricultural production in a sustainable manner, promoting export crops and developing infrastructure and institutions that are conducive to the development of the sector.

Agriculture is the predominant economic sector in the Comoros and represents on average almost 20% of the national GDP according to the System of National Accounts 1993 (SNA93). However, it is characterised by small-scale farming, traditional agricultural methods and structurally weak channels. In addition to the three crops that account for most of the country's exports (vanilla, ylang-ylang and cloves), food production mainly consists of tubers (cassava, yams, taro, sweet potatoes), some fruits (bananas and coconuts) as well as pulses (pigeon peas, mung beans) and fresh vegetables.

However, most foodstuffs are imported to bolster low local production. Although rice is the most consumed commodity in the country, annual production is only about 1,100 tonnes, against imports of between 30,000 and 40,000 tonnes, with a value of KMF 4 to KMF 5bn (€8m to €10m).

Livestock production also does not meet domestic demand, partly due to the recent spread of disease outbreaks from imported animals. About 3,000 tonnes of meat (mainly beef) are produced every year, while imports exceed 5,000 tonnes. The country also relies largely on milk powder imports due to low milk production.

This shows the large investment opportunities in the country in terms of supplying the domestic market with local production through import substitution. The high cost of transport that results from the remoteness of the Comoros and its fragmentation into three islands is a disadvantage but also an advantage for those who produce goods for the domestic market locally.

Building production capacity can also help the sector to become more export oriented. Although the Comoros does not have sufficient agricultural land for mass production of food, it has the potential to develop organic production and target the markets of developed countries, particularly Europe, which are looking for quality agricultural products.

Thus, some under-exploited crops can be developed to meet international demand. There is a particularly significant market for fruit such as pineapple, mango, lychee and avocado, whose production can be increased owing to the favourable climate of the region.

Investment opportunities include the development of agricultural processing plants and value addition to local products for the domestic market and for exports. Product packaging is another area of need for both local and international markets, as is fruit production, which will require pressing, sterilisation and bottling or packaging units. The production of sea salt, made possible by a sufficient tidal range, can be seen as a viable alternative to imported salt.

While food processing is not yet well developed in the Comoros, there are several success stories, such as that of the Sodeco Group (Development Corporation of the Comoros) which owns, among others, the Yako dairy processing plant that produces pasteurised milk, yoghurt, butter, cream and cheese as well as a mineral water plant (Karthala).

There is also a local bottling plant (Comco SA, a South African subsidiary) which is under contract to a major global beverage producer.

Due to export opportunities and the weight of food imports in domestic supply, the agricultural, food processing and packaging sectors still have much room for development. But they require green field investment in some areas as well as the expansion of existing production assets, as well as the development of new organic crops and overall strengthening of the agricultural sector.

Industrial diversification niches

The industrialisation model envisioned by the Comoros, particularly in the manufacturing sub-sector, will be based on adding value to products in which the country has comparative advantages such as sea products, essential oils and natural cosmetics. The Comoros Emerging Plan supports the development of a strong economy in which the industrial sector, in particular manufacturing, plays a leading role in creating wealth and modernising the economy. The strategic objective is to build a viable industrial base, made up of small and medium-sized enterprises, that has the potential to add value and create jobs and meet the needs of the population while penetrating new markets with quality products.

Business process outsourcing

Business process outsourcing, which does not currently exist in the Comoros, could provide the country with a new source of investment. The sector has been successfully exploited by various countries, which have seen the establishment of subsidiaries of foreign companies or service providers in their jurisdictions. This opens up opportunities for a range of services such as call centres as well as accounting and administrative services for companies.

The Comoros has many comparative advantages in this regard. Salaries, albeit slightly higher than in some neighbouring countries, are still competitive. The widespread use of the French language is attractive for companies wishing to set up business services in French-speaking countries. In addition, the Comoros has a sizeable skilled workforce due to the increasing number of university graduates in the country who are seeking employment. The development of this sector has been limited by the state of the ICT sector vis-à-vis other parts of the world.

The digital sector

Building on the development of powerful telecommunications networks in the Indian Ocean, the Comoros has made significant progress in the telecommunications sector, mainly in the framework of the Regional Communications Infrastructure Programme Phase 4 (RCPI4), which aims to reform the regulation and liberalisation of the sector with technical and financial support from the World Bank.

With market liberalisation and the granting of a second licence, two operators are now providing mobile communication, internet, fixed and mobile 4G and 4.5G services, and since 2019, mobile money. Operators have set up a 10 Gbps inter-island connection network and 10 Gbps fibre optic and microwave relay (FH) networks around each island. More than 80% of the country is covered by telecom networks. The country is now connected

to the EASSy international submarine cable, which has a capacity of 26 Gb/s, to the AVASSA regional submarine cable system with a capacity of 10 Gb/s, and to the FLY-LION3 ultra high-speed cable of 1.1Tb/s which will be operational by the end of 2019. A national backbone distributing FTTH to all the islands has been deployed.

The ICT sector, which is dominated by telecommunications, contributes 2.4% of GDP. As competitiveness improves, calls have become more affordable and mobile subscriptions are growing rapidly. While the latest statistics from the International Telecommunications Union (ITU) in 2018 show a mobile phone penetration rate of 60% and a 4G mobile internet access rate of 37.8%, operators reported over 600,000 mobile phone subscriptions, representing a penetration rate of 74.66%. The 500MB mobile internet package, valued at 14.5% of GDP per capita in June 2017 (compared to 5.2% worldwide, 0.6 in Mauritius and 152% in Madagascar) is currently available at about the same price as in Mauritius.

The price of fixed internet, estimated at 51.9% of GDP per capita in 2018, is high making it inaccessible for most people. ITU data indicates that only 9.2% of households have a computer at home, 8.5% of the population has access to the internet and 5.6% of households have a fixed internet connection.

Digital services and start-up businesses in the digital sector are yet to be developed. The two major telecommunications operators account for 2,500 direct jobs while the overall digital sector comprises many private companies, mainly SMEs operating in the fields of software design and development, integration, engineering and consultancy, as well as computer hardware resellers. The ICT Development Index (IDI) of the ITU ranked Comoros 164th out of 176 countries assessed in June 2017.

Digital evolution at the heart of the catalysts for emergence

The government's vision is to make the Comoros an "information society and actor of the digital revolution" by 2030. The ambition is to increase the contribution of the digital sector to the national economy, given its role as a growth lever for other sectors and its catalytic role in social transformation. The specific objective is to bring its contribution to GDP to 5% and provide more than 5,000 direct jobs by 2030.

Submarine fibre optic cable system (EASSy)

Comores Telecom has launched a new communication service facilitated by the Eastern Africa Submarine Cable System (EASSy) Consortium, a 10,294 km long submarine fibre optic cable system running along the east coast of Africa with landing stations in Sudan, Djibouti, Somalia, Kenya, Tanzania, Comoros, Madagascar, Mozambique and South Africa.

This project is one of the largest investments financed by the Comorian Government to date, with a total investment of USD 264 million as its contribution along with many other investors. As a result of this initiative, the Comoros now has the highest capacity undersea cable system on the east coast of Africa with speeds of 3.7 terabits per second.

China has committed some KMF 11 billion to complete the fibre optic project and bring high-speed internet connections to every corner of the islands. The introduction of fibre optics in the Comoros has already brought about a significant reduction in the prices of all telecommunication services in the archipelago, which will extend internet connections to all Comorians.

13

QUALITY OF LIFE



13. QUALITY OF LIFE

The Union of the Comoros is mainly described as a safe and pleasant place to live. Tourists and foreigners living in the country report a high level of security on the islands. Although there is not much of a police presence, the people are extremely welcoming and honest.

For nature lovers, the Comoros is one of the best places to live due to the exceptional diversity of flora and fauna. There is a wide range of activities to enjoy on the islands, both on the coast and in the forests.

Although tourist attractions are somewhat limited, there are a number of interesting places to visit. Comorians are very friendly to foreigners and make sure that visitors feel welcome at all times.

The Comoros is situated in the vicinity of other islands in the Indian Ocean and is only a few hours' flight from the Middle East and from East and Southern Africa, making it a favourable geopolitical location for investors. Moreover, the archipelago is considered to be largely untapped territory, which offers significant opportunities for investors.

Investors are strongly encouraged to do business in the Comoros, which has an attractive investment code, with conditions which are considered more favourable than those in most neighbouring countries.

THE NATIONAL INVESTMENT PROMOTION AGENCY: DEDICATED TO INVESTMENT

The National Investment Promotion Agency (NIPA) is the government institution that has been in charge of promoting national and international investment in the Comoros since 2008. It is dedicated to making private investment the lever of development in the Comoros and offers its services for the entire time an investor is present in the country.

The NIPA operates throughout the country through its three offices and promotes awareness among investors on the benefits of setting up a business in the Comoros. Its Business Creation Office (BCE) is a one-stop shop for investors, which facilitates the establishment or structural modification of your company from a single location, using just one document, with only requires a single payment.

In addition, the Agency provides a follow-up and support service tailored to your needs to enable you to enjoy the benefits of the Investment Code, such as securing approvals, and associated tax and customs exemptions, or intermediation between investors and the relevant government officials.

The NIPA plays a central role in improving the business climate in the Comoros by providing a permanent secretariat for business climate reforms and by actively participating in a platform that promotes public-private dialogue.

Prepared By



In Collaboration with

