

The currency I selected is from Burundi. It was easy for me to identify where it was from because I speak French and the currency's name and the country were spelled out in French. Burundi uses the Burundian Franc. It uses paper and coins as means of exchange. It has currency denominations of 5,10,20,50,100,500,1000,2000,5000,10000 Francs.

- Exchange rate with the US dollar: 1 Burundian Franc = 0.00049 dollar
- Exchange rate with the Euro: 1 Burundian Franc = 0.00048 euro
- Exchange rate with the British pound: 1 Burundian Franc = 0.00042-pound sterling

Burundi's currency has a floating exchange rate. According to the CIA World Factbook, Burundi has an inflation rate (deflation) of -0.6% (2019 est.) compared to the United States which has an inflation rate of 1.8% (2019 est.). Inflation is a real issue in this country, and it has been increasing over the years. The inflation rate went from 15.9% in 2017 to 9.25% in 2022 (Statista, 2022). Given that its inflation rate has been fluctuating over the years, and the current rate is above 7%, Burundi has a constant issue with its inflation rate.

The average per capita income of the country is \$700 (2020 est.). In addition, the high unemployment rate leads to more than half of the population being below the poverty line. That is approximately 64.6% (2014 est.). The United States on the other hand has an average per capita income of \$60000 (2020 est.). Its unemployment rate is low at 3.89% (2018 est.) which puts about 11.4% of the population below the poverty line.

Burundi has a GDP of \$3.027 billion (2020 est.) which is comparatively low to that of the United States which has a GDP of \$21.43 billion (2020 est.)

Burundi has a labor force of 5.012 million, which is low compared to the United States which has a labor force of 146.128 million.

Based on the above information, I would classify Burundi as an underdeveloped country. This is because

- More than half of the population is below the poverty line (a high poverty rate)
- It heavily relies on agriculture as the main form of employment (90% of the population), and it accounts for 40% of the GDP
- It is dependent on foreign aid, and multilateral and bilateral donors, which accounted for 50% of its income in 2015.
- Burundi has been experiencing reduced GDP growth and households' income are very low
- It has a current account balance of -\$418million and has acquired a public debt of more than 50% of its GDP

I will not recommend this country as a good option for a United States company that is trying to expand. This is because the country is underdeveloped. Burundi is economically not viable and politically unstable. It is still experiencing cross-border conflicts among various ethnic groups, political rebels, and government forces. Also, its level of technology is low with telephone density being one of the lowest in the world. Furthermore, its GDP is very low compared to that of the United States. If a United States company were to expand its sales and operations to Burundi, it would likely lose value.

Sources.

Burundi - inflation rate 1987-2027 | Statista. (2022, April 19).

Statista. <https://www.statista.com/statistics/451388/inflation-rate-in-burundi/>