# **Export to The Democratic Republic of the Congo**





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# 1. General Information

# **Political landscape**

- Situation of the country: The Democratic Republic of Congo is the 2<sup>nd</sup> largest country in Africa, covering an area of 2,345,410 km<sup>2</sup> and with a population of 103.197 million. The capital Kinshasa has a population of 17.07 million.
  - The President is Felix Antoine Tshisekedi Tshilombo, who was re-elected in December 2023 following a five-year term, from 2019 to 2023.
  - The current Prime Minister, Judith Suminwa Tuluka, was appointed on 1 April 2024, and is the first woman to hold this position. The country does not currently have a government. Only provincial governors and vice-governors were elected on 29 April 2024.
- Constitution: Adopted by referendum on 18 and 19 December 2005, promulgated on 18 February 2006 and revised on 20 January 2011.
- Languages spoken: French is the official language, and the 4 national languages are Lingala, Swahili, Kikongo and Tshiluba.
- Security: The political situation in the DRC is stable, but the security situation remains
  unpredictable. The east of the country is still a zone to be avoided due to the armed conflicts
  that have been raging there for several years now. It is advisable to follow the instructions
  given on the website of the Belgian Embassy in the DRC, before visiting the country and
  during your stay. <a href="https://diplomatie.belgium.be/fr/pays/republique-democratique-du-congo/voyager-en-republique-democratique-du-congo-conseils-aux-voyageurs/securite-generale-en-republique-democratique-du-congo</a>
- Multilateral relations: There are various international entities in the DRC, including the IMF, the AfDB, the African Union and the United Nations, which after having a presence in the DRC for 25 years, will withdraw from the country at the end of 2024 at the request of the Congolese government. There has been a real desire to develop diplomatic relations (continental and international) in recent years. This has been seen through:
  - a. The official visits of President Tshisekedi, in particular to Belgium,
  - b. The DRC's candidacy for non-permanent membership of the United Nations Security Council for the period 2022-2023
  - c. The rotating presidency of the Southern African Development Community (SADC) for the period 2022-2023
  - d. Management of the Economic Community of Central African States (ECCAS)
- Bilateral relations: Belgium has always been considered a privileged partner of the DRC, due
  to the two countries' shared history. As such, Belgian companies have favourable access to
  the Congolese territory.
- Rule of law (human rights): Although the current President is looking to intensify the collaboration with the UNHCR, respect for human rights is a long way from being enforced.



# **Economy**

- The economy of the DRC is not very diversified, and relies primarily on the extractive
  industries, which are highly dependent on world prices and international economic dynamics.
  As such, the economy is fragile and vulnerable to shocks. Its industrial fabric is also
  underdeveloped with regard to the country's potential, due in particular to the energy deficit
  and the lack of transport and communications infrastructure.
- In 2023 and 2024, the mining sector should remain the main contributor to the country's growth, with GDP expected to reach 6.7% and 6.9% respectively. This level of growth is well above the 4.0% projected for sub-Saharan Africa by the AfDB.
- The medium-term outlook for the DRC is favourable, with estimates forecasting growth of 7.5% in 2025.
- Activity in the non-mining sector is expected to be sustained by major infrastructure projects, with the implementation of the local development programme for 145 territories, on the one hand, and the regeneration of the agricultural sector, on the other.
- The economic consequences of the war in Ukraine, through the global rise in food and oil
  prices, could put further pressure on the budget deficit, inflation and household consumption,
  exacerbating poverty and inequality. (World Bank). Priority investments in the agricultural
  transformation programme could bolster this economic growth.
- Inflation fell to 8.4%, thanks to a relatively more stable Congolese franc. Nevertheless, inflation rose to 9.8% in 2023, before falling back to 5.6% in 2024. In August 2023, the indicative exchange rate was 2,476.09 CDF to 1 US dollar. And according to the IMF, inflation will gradually fall by 2024.
- DRC had an unemployment rate of 4.5% in 2023.
- In 2024, GDP per capita will be \$679.6 and GDP growth will be 5.5%.
- The fiscal balance/GDP in 2024 is -1.5% and the current balance/GDP is -4%.
- Annual population growth: 3.2 in 2022
- Foreign direct investment, net inflows: 2.9 (% of GDP) in 2022
- In short, the DRC's economic growth is underpinned by the mining, oil, general trade, construction and agricultural sectors, as well as by its multiple resources. Despite its resources, it has not yet achieved the economic growth envisaged, and the mining sector has the largest impact on the economic indicators.
- The vast majority of the population is employed in agricultural activities for subsistence rather than commercial ends. Priority investments in the agricultural transformation programme could bolster economic growth.

Sources: AfDB, UN, World Bank, IMF, Central Bank of Congo, Coface, Belgian Embassy in DRC, Policy Center



# 2. Additional indicators

#### **Economic indicators**

Find the main socio-economic indicators for this country, as well as its trade with Brussels and Belgium, in the publication "Brussels and the world – Country statistics" on analytics.brussels, hub.brussels' online data library.

The "Brussels and the world - General statistics" publication also provides data on trade between the Brussels-Capital Region and the rest of the world, by continent and by major world region. The same type of data is also available for the various regions of Belgium, as well as for Belgium as a whole.

#### Social and environmental indicators

If you'd like to know where your country stands in terms of social, environmental and economic issues, access a series of <u>composite indicators from the European Commission</u>, structured according to the 17 United Nations Sustainable Development Goals<sup>1</sup> and the European Commission's 6 priority policy areas<sup>2</sup>.

#### Free trade agreements

European agreements have a major impact on market accessibility and trade with certain countries. The links below, published by the European Commission, will provide you with all the information you need on free trade agreements and trade barriers. Existing agreements, those that have not yet been ratified and those that are expected to be ratified, can be consulted here:

- Free trade agreements
- Trade barriers

<sup>&</sup>lt;sup>2</sup> A green pact for Europe, An economy serving people, A Europe fit for the digital age, A stronger Europe on the world stage, Promoting our European way of life, A new impetus for European democracy.



<sup>&</sup>lt;sup>1</sup>No poverty, Zero hunger, Good health and well-being, Quality education, Gender equality, Clean water and sanitation, Clean and affordable energy, Decent work and economic growth, Industry, innovation and infrastructure, Reduced inequalities, Sustainable cities and communities, Sustainable consumption and production, Measures to combat climate change, Water life, Land life, Peace, justice and effective institutions, Partnerships to achieve the goals.

# 3. On the ground: a step-by-step guide

#### **Market access and first contacts**

## **Prospecting**

The ETA is recommended as the best way to approach the Congolese market. And this approach facilitates access to information and contacts, since the internet does not provide much up-to-date information on the Congolese economy and businesses.

The ETA facilitates contacts with people, and offers good guidance in approaching this vast and often seemingly heterogeneous market.



# 1. Contact the ETA by e-mail with details of the following points:

- Description of the activity, If you have an electronic version of your company brochure (preferably in French if available, and also in English), it's a good idea to send it to the ETA as soon as possible.
- What profile(s) of partner(s) are you looking for in this market?
- · What kind of relevant information do you need?
- Which contacts do you already have and possibly want to see again?

# 2. Prospecting on the ground

- Obtain a visa from the DRC Embassy in Belgium. Contacts: sise 15, rue de Marie de Bourgogne, 1050 Brussels. Tel: +32 (0) 2 213 49 80. Mail: secretariat.cmd@ambardcongo.be
- Draw up a budget, using the information below as an example:

The cost of prospecting in the DRC, for an estimated 5 days, can be up to 2,750 euros, broken down as follows:

- Plane ticket Kinshasa Brussels Kinshasa: around 1,000 euros
- ➤ Accommodation: 160 euros per night x five nights= 800 euros
- ➤ Local transport: 5 days x 130 euros: 650 euros
- ➤ Meals: 50 euros x 6 days = 300 euros
- Money: The currencies used in the DRC are the Congolese franc and the US dollar.
   Payments (purchases and others) are generally made in cash and also by credit card, but it is important to always have cash available.



# **Exporting**

## **Payments**

- Bank transactions: national and international transfers that can take more than a week from the time the transaction is executed.
- · Credit card: Visa, Mastercard
- Money transfer agencies: Western Union, Moneygram, Ria, Master cash, Soficom, etc.
- Mobile Banking provided by the country's leading mobile operators: Vodacom CD with M-Pesa; Airtel with Airtel-Money; Orange with Orange-Money and Africell with Africell-Money.
- Cash remains the most widely used means of payment in the country.

# **Company types**

Pursuant to the provisions of the Uniform Act of the OHADA on Commercial Companies and Economic Interest Groups (EIGs), the legal forms of companies in force in the Democratic Republic of the Congo are as follows (with the predominance of Limited Liability Companies (S.A.R.L.) and Public Limited Companies (S.A.):

- Sole proprietorship (or establishment);
- Limited liability company (S.A.R.L.);
- Public Limited Company (S.A.);
- Simplified Joint Stock Company (S.A.S.);
- General partnership (S.N.C);
- Limited partnership (S.C.S);
- Economic Interest Group (E.I.G.)

For more information: www.guichetunique.cd

#### **Customs tariffs**

The customs tariff in DR Congo is a double-column tariff, modified in 2012 to include customs duties and VAT. Customs duties are grouped into three rates:

- 5% for capital goods
- 10% for certain inputs
- 20% for other products

VAT is 16% for all goods

# Support and subsidies

Discover all subsidies for Brussels businesses on the Brussels Economy and Employment website.



# Interesting markets for a first export

#### Agriculture

The DRC imports nearly 1.5 billion USD of foodstuffs every year. Nevertheless, the country has exceptional agronomic potential and an area of farmland which is unparalleled in Africa, and which would allow it to feed 2 billion people through intensive agriculture.

There are very few agri-food production facilities in the country, meaning that machinery is needed.

#### Health

There are opportunities for goods and services in the healthcare sector (production and sale of medicines, medical equipment, health insurance, hospital and pharmaceutical management software).

#### Infrastructure and construction

Infrastructure and construction are one of the priorities of the Government of the Democratic Republic of Congo. This sector is open to foreign investors, as there is an urgent need to build, rehabilitate and modernise the country's basic infrastructure (roads, airports, buildings, etc.) in order to consolidate the country's economic integration.

### Waste treatment (collection, sorting and processing of industrial and household waste)

Sanitation remains a major problem, in particular the management of plastic and hospital waste in a city like Kinshasa with over 12 million inhabitants. Industrial or artisanal mining also often results in soil, air and river pollution. Insalubrious situations in large cities regularly leads to cholera outbreaks. There is an opportunity here to collect all the waste scattered across the country, even in rivers.

#### Energy

The energy potential of the DRC is clearly significant, especially in hydroelectricity: 100,000 MW identified, including 44,000 MW at the Inga site and 56,000 MW spread over 780 hydroelectric sites throughout the country. The potential for solar energy generation has been estimated at 70,000 MW.

Unfortunately, only 2.5% of this immense potential is actually exploited. As a result, there is a major shortage in the supply of electricity (installed capacity: ±2500MW, available capacity: ±1500 MW), and a strong and growing demand for electricity.

#### Calendar of all trade shows here

FEC RDC: <a href="https://fec-rdc.com/agenda/">https://fec-rdc.com/agenda/</a>

Expo beton: https://www.expobetonrdc.com/

Batiko: <a href="https://www.kollectifb.com/initiatives">https://www.kollectifb.com/initiatives</a>

Mining week: https://wearevuka.com/mining/drc-mining-week



# 4. Business culture

#### Preferred means of communication

The preferred means of communication are telephone (calls) and WhatsApp, which is widely used, as well as email. It is preferable to always phone either by direct line or Whatsapp, and bear in mind that the internet connection is poor, with frequent power cuts. It is a good idea to always follow up an email with a phone call.



• How to tackle your first professional meeting It's important to schedule personal meetings with companies. Face-to-face contact is always preferable.

As regards appointments, while it is important to arrive on time for appointments, it is sometimes necessary to be flexible in the event of delays, due to challenging transport conditions and traffic jams, especially in Kinshasa.

Congolese culture places great importance on respect for hierarchy. When prospecting, it is therefore important for the representative of a Belgian company to know the function of their Congolese contact person, and mention their title at every exchange.

• Employees are accustomed to calling their superiors by their rank (title). Ex: chef, excellence, professor, doctor, boss, etc.

#### How to dress?

The Congolese attach great importance to their physical appearance, which is why the DRC is also known as the country of SAPE (The Society of Ambiance-Makers and Elegant People). Both men and women are generally always well-dressed. It is worth noting that some public institutions may refuse access to their premises to ladies dressed in trousers. It is therefore important to take this into account and dress appropriately.

# Working days and hours

Working hours as stipulated by the labour code of the DRC are 8 hours, the Congolese work week varies between 40 and 48 hours, some companies work on Saturdays and days start at either 7.30 a.m. or 8.30 a.m.

Companies generally operate all year round, except on public holidays and weekends in some cases. And even for companies that close during holiday periods, there is always a minimum service working.

# • Language and geography

While the language of the administration is French, even a partial knowledge of one or more of the four national languages (Lingala, Kikongo, Swahili and Tshiluba) is a plus, depending on where your contact person comes from. The fact of having visited the interior of the country is also appreciated, especially if the company's place of business is outside the major cities. This also allows you to better understand the needs of your contact person and adapt your sales offering accordingly.

The country is vast (80 times bigger than Belgium!). It should not just be reduced to Kinshasa and Lubumbashi, even though the capital is home to people from every province in the DRC.

Since 2015, the DRC has gone from 11 to 26 provinces. In some provinces, the decision-making centre of gravity has shifted from one city to another. Kolwezi, for example, the capital of the new



Lualaba province in ex-Katanga in the south-east of the country, now carries more economic weight than Lubumbashi, due to the presence of a larger number of major mining companies. The personality of the governor of Lualaba also plays a role in this regard.

Similarly, towns like Butembo and Béni in North Kivu, which from an administrative perspective may seem like secondary cities, show more economic dynamism than many provincial capitals.

# 5. What can we do for you?

The General Delegates and Local Representatives of the Region employed by hub.brussels are official representatives of the Brussels Government abroad, they support Brussels companies that want to export, and search and prospect for new investors.

They have the information, expertise and in-depth knowledge about the specifics of different foreign markets. Based on that knowledge, they help to refine and fine-tune your export plans, with advice on regulations, competition, market entry conditions, permits, etc. Furthermore, they can support you with your questions regarding exports, certain sectors within the jurisdiction, contacts with intermediaries, business culture, and much more.



#### Micheline Vermeulen

Democratic Republic of Congo - Congo Brazzaville - Kenya - Burundi - Zambia -Tanzania - Uganda - Rwanda

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#### Useful websites to delve into

- Belgian Embassy in DRC: <a href="http://rdcongo.diplomatie.belgium.be/fr">http://rdcongo.diplomatie.belgium.be/fr</a>
- Embassy of the DRC in Belgium: <a href="http://www.ambardc.eu">http://www.ambardc.eu</a>
- Representation of hub.brussels in the DRC: kinshasa@hub.brussels/; www.hub.brussels
- Belgian-Congolese-Luxembourg Chamber of Commerce (ccbcl): <a href="http://www.ccbc-rdc.be">http://www.ccbc-rdc.be</a>
- Guide-Entreprise provides useful, practical information for entrepreneurs and investors in Africa: www.guide-entreprise.org
- ANAPI: (National Investment Promotion Agency): <a href="http://www.anapi.org">http://www.anapi.org</a>
- One-stop shop <u>www.guichetunique.cd</u>
- Federation of Businesses of the Congo (FEC): www.fec.cd
- National Federation of Artisans and Small and Medium-Sized Enterprises in Congo (FENAPEC): jpmbuku@yahoo.fr
- Confederation of Small and Medium-sized Enterprises of the Congo (COPEMECO):
   copemecordc@yahoo.fr
- Public tenders and information on Enabel projects https://www.enabel.be/fr/marches-publics/
- Agency for Foreign Trade https://www.abh-ace.be/

